Mission: To promote school readiness and pre-kindergarten programs thus increasing all children’s chances of achieving future educational success and becoming productive members of society. The coalition seeks to further the physical, social, emotional and intellectual needs of Miami-Dade and Monroe County children.

FINANCE COMMITTEE MEETING AGENDA
May 6, 2019; 9:00 a.m.
415-655-0003 Meeting # 733 235 745
David Lawrence Jr. Community Meeting Room
2555 Ponce de Leon Blvd, Suite 500, Coral Gables, FL 33134

I. Welcome and Introductions
   Bob Eadie

II. Approval of Minutes
    Bob Eadie
    A. 12/19/2018

III. Financial Statements
    A. School Readiness/VPK
    B. Early Head Start

IV. Resolutions
    A. Resolution05062019-01 - Authorize the President and CEO to negotiate and execute the contracts listed within the background section of this resolution. Fiscal Impact: An approximate amount of $723,195.00 for fiscal year 2019-2020 which is subject to the availability of funding. Funding Source: Department of Health and Human Services, Administration for Children and Families
    B. Resolution 05062019-02 - Authorize the President and CEO to apply to, execute and receive funds from the grantor listed in the background section of this resolution. Fiscal Impact: An approximate amount of $10,211,307.00 for fiscal year 2019-2020 which is subject to the availability of funding. Funding Source: Department of Health and Human Services, Administration for Children and Families
    C. Resolution 05062019-03 - Authorize the President and CEO to request permission from the Office of Head Start to provide Early Head Start- Child Care Partnership services in three additional zip codes within Miami-Dade County. Fiscal Impact: This will not have additional fiscal impact on the budget. Funding Source: Department of Health and Human Services, Administration for Children and Families
    D. Resolution 05062019-04 - Authorize the President and CEO to make a qualified nonelective contribution, from ELCMDM funds, to the ELCMDM’s 401k plan to remedy the failed 2018 401k Actuarial Test non-discrimination testing. Fiscal Impact: An approximate amount of $186,000.00. Funding Source: All Funding Sources
E. Resolution 05062019-05 - Approve the Evaluation Committee’s recommendation to award contract for RFP#ELCMDM2019-04 (Early Head Start Playgrounds), and authorize the President and CEO to negotiate and execute contracts with the selected vendor(s). Fiscal Impact: The contract is for an approximate amount of $632,540.00 until October 31, 2019, which is subject to the availability of funding. Funding Source: Department of Health and Human Services, Administration for Children and Families

V. Informational Items

A. Update on EFS Modernization
B. Early Head Start Credit Card Report

VI. Public Comments

VII. Adjourn
Executive/Finance Committee Meeting  
December 12, 2018; 9:00 am  
ELC Board Room

Committee Attendees: Adrian Alfonso (via conference call); Gilda Ferradaz (via conference call); Bob Eadie (via conference call); Philip Gassman (via conference call); Maurice Kemp

Absentee Members: Alex Soto; Theresa Axford

ELC Staff: Evelio Torres; Angelo Parrino; Mercy Castiglione; Jackye Russell; Sandra Gonzalez; Pam Hollingsworth; Alex Sanchez; Jacqueline Olio; Miguel Alfonso; Lissandra Curbelo; Lisa Sanabria

General Attendees: Bob de la Fuente

I. Welcome & Introductions  
Adrian Alfonso

II. Approval of Minutes  
Adrian Alfonso

- Motion to approve minutes B. Eadie.
- Motion seconded by G. Ferradaz.
- Motion was unanimously passed.

III. Resolutions  
Adrian Alfonso

- Resolution 12192018-01 authorize the President and CEO to make a qualified nonelective contribution, from ELCMDM funds, to the ELC’s 401k plan to remedy the failed 2017 401k Actual Deferral Percentage and Actual Contribution Percentage non-discrimination testing. Fiscal Impact: A total amount of $232,253.70 within 12 months of the end of the plan year or before December 31, 2018.

- After discussion the total amount is to change to $237,000.00

  - Motion to approve resolution B. Eadie.
  - Motion seconded by G. Ferradaz.
  - Motion unanimously passed.
Resolution 12192018-02 ratifies in writing the ELCMDM’s board of director’s August 6 vote to authorize the President and CEO to approve the transition of The Neighborhood Place for Early Head Start Program to the Early Learning Children’s Foundation. Fiscal Impact: The amount of $9,789,273 for fiscal year 2018-2019.

- Motion to approve resolution B. Eadie.
- Motion seconded by G. Ferradaz.
- Motion unanimously passed.

IV. Public Comments

V. Adjourn
Action Requested: Authorize the President and CEO to negotiate and execute the contracts listed within the background section of this resolution.

Fiscal Impact: An approximate amount of $723,195.00 for fiscal year 2019-2020 which is subject to the availability of funding.

Funding Source: Department of Health and Human Services, Administration for Children and Families

Strategic Goal: ☑ Neediest Children ☑ Youngest Children ☑ Educate All ☑ Providers ☑ Internal Capacity ☐ Funding

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RESOLUTION: 05062019-01

AUTHORIZE THE PRESIDENT AND CEO TO NEGOTIATE AND EXECUTE THE CONTRACTS LISTED WITHIN THE BACKGROUND SECTION OF THIS RESOLUTION.

WHEREAS, the Executive/Finance Committee of the Early Learning Coalition of Miami-Dade/Monroe, Inc. has been apprised of the program goals through the attached narrative, hereby incorporated by reference.

WHEREAS, the Executive/Finance Committee recommends approving this action;

NOW, THEREFORE, be it resolved by the Executive/Finance Committee to authorize the President and CEO to negotiate and execute the contracts listed within the background section of this resolution.
The foregoing resolution and attachment were offered by ___________, who moved its approval. The motion was seconded by ___________, and upon being put to a vote, the vote was as follows: _______________________.

The vote was recorded as listed in the attached roll sheet.

The chairperson thereupon declared this resolution duly passed and adopted this 6th day of May 2019.

EARLY LEARNING COALITION
OF MIAMI-DADE/MONROE, INC,

By: _________________________
Executive/Finance Committee Secretary
**Background:**

Pending approval from the Regional Office (Department of Health and Human Services) to transfer all contacts to the Early Learning Foundation doing business as The Neighborhood Place for Early Head Start.

### Early Head Start Contracts

<table>
<thead>
<tr>
<th>Contractors for Program Services</th>
<th>Program/Services</th>
<th>Proposed FY 2019-2020 Amount</th>
<th>Start Date</th>
<th>End Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Citrus Health Network</td>
<td>Social Emotional Services</td>
<td>$125,000.00</td>
<td>8/1/2019</td>
<td>7/31/2020</td>
</tr>
<tr>
<td>Miami Dade College</td>
<td>Formal Education and Credentials</td>
<td>$250,000.00</td>
<td>8/1/2019</td>
<td>7/31/2020</td>
</tr>
</tbody>
</table>

#### PSA's

<table>
<thead>
<tr>
<th>PSA's</th>
<th>Program/Services</th>
<th>Proposed FY 2019-2020 Amount</th>
<th>Start Date</th>
<th>End Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>TBD (Out for Quote)</td>
<td>Phone Service, Maintenance &amp; Support</td>
<td>$84,000.00</td>
<td>8/1/2019</td>
<td>7/31/2020</td>
</tr>
<tr>
<td>Lehtinen Schultz, PLLC (Bob De La Fuente)</td>
<td>Legal Services</td>
<td>$35,000.00</td>
<td>8/1/2019</td>
<td>7/31/2020</td>
</tr>
<tr>
<td>Lakeshore Learning Materials</td>
<td>Quality Materials Services</td>
<td>$139,900.00</td>
<td>8/1/2019</td>
<td>7/31/2020</td>
</tr>
</tbody>
</table>

#### Memorandum of Understanding

| University of Florida Institute of Food and Agricultural Science | Agreement with University of Florida to provide nutrition education to families | N/A | 6/8/2018 | 6/8/2019 |
| University of Miami | Provide training opportunities for qualified students | N/A | 6/1/2018 | 6/1/2023 |
| Florida International University | Intern Agreement | N/A | 12/6/2016 | 12/5/2023 |
| Florida Department of Health's Women, Infants, and Children Division | Nutritional support for Miami-Dade childcare centers | N/A | TBD | TBD |
| Community Medical Group | Shared office space | N/A | 7/10/2017 | Open-Ended |
Action Requested: Authorize the President and CEO to apply to, execute and receive funds from the grantor listed in the background section of this resolution.

Fiscal Impact: An approximate amount of $10,211,307.00 for fiscal year 2019-2020 which is subject to the availability of funding.

Funding Source: Department of Health and Human Services, Administration for Children and Families

Strategic Goal: ☐ Neediest Children ☑ Youngest Children ☑ Educate All ☑ Providers ☑ Internal Capacity ☑ Funding

RESOLUTION: 05062019-02

AUTHORIZE THE PRESIDENT AND CEO TO APPLY TO, EXECUTE AND RECEIVE FUNDS FROM THE GRANTORS LISTED IN THE BACKGROUND SECTION OF THIS RESOLUTION.

WHEREAS, the Executive/Finance Committee of the Early Learning Coalition of Miami-Dade/Monroe, Inc. has been apprised of the program goals through the attached narrative, hereby incorporated by reference.

WHEREAS, the Executive/Finance Committee recommends approving this action;

NOW, THEREFORE, be it resolved by the Executive/Finance Committee to authorize the President and CEO to apply to, execute and receive funds from the grantors listed in the background section of this resolution.
The foregoing resolution and attachment were offered by __________, who moved its approval. The motion was seconded by __________, and upon being put to a vote, the vote was as follows: ____________________.

The vote was recorded as listed in the attached roll sheet.

The chairperson thereupon declared this resolution duly passed and adopted this 6th day of May 2019.

EARLY LEARNING COALITION
OF MIAMI-DADE/MONROE, INC,

By: __________________________
Executive/Finance Committee Secretary
**Background:**

<table>
<thead>
<tr>
<th>Contractors for Program Services</th>
<th>Program/Services</th>
<th>Proposed FY 2019-2020 Amount</th>
<th>Start Date</th>
<th>End Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>US Department of Health</td>
<td>Base Grant</td>
<td>$9,805,378.00*</td>
<td>8/1/2019</td>
<td>7/31/2024</td>
</tr>
<tr>
<td>US Department of Health</td>
<td>Training and Technical Assistants</td>
<td>$232,374.00*</td>
<td>8/1/2019</td>
<td>7/31/2024</td>
</tr>
<tr>
<td>US Department of Health</td>
<td>Cost of Living Adjustment</td>
<td>$173,555.00</td>
<td>8/1/2019</td>
<td>7/31/2020</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td></td>
<td>$10,211,307.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Supplemental Information**

<table>
<thead>
<tr>
<th>Nonfederal Share</th>
<th>Non-Federal Share</th>
<th>$2,509,438.00</th>
<th>8/1/2019</th>
<th>7/31/2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nonfederal Share Cost of Living Adjustment</td>
<td>Non-Federal Share</td>
<td>$43,389.00</td>
<td>8/1/2019</td>
<td>7/31/2020</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td></td>
<td>$2,552,827.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*2019-2020 budget for Early Head Start 5-year grant period

*Pending approval from the Regional Office (Department of Health and Human Services) to transfer all grants to the Early Learning Foundation doing business as The Neighborhood Place for Early Head Start.
Action Requested: Authorize the President and CEO to request permission from the Office of Head Start to provide Early Head Start- Child Care Partnership services in three additional zip codes within Miami-Dade County.

Fiscal Impact: This will not have additional fiscal impact on the budget.

Funding Source: Department of Health and Human Services, Administration for Children and Families

#### Strategic Goal:
- ☑ Neediest Children
- ☑ Youngest Children
- ☑ Educate All
- ○ Providers
- ○ Internal Capacity
- ○ Funding

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**RESOLUTION: 05062019-03**

AUTHORIZE THE PRESIDENT AND CEO TO REQUEST PERMISSION FROM THE OFFICE OF HEAD START TO PROVIDE EARLY HEAD START- CHILD CARE PARTNERSHIP SERVICES IN THREE ADDITIONAL ZIP CODES WITHIN MIAMI-DADE COUNTY.

WHEREAS, the Executive/Finance Committee of the Early Learning Coalition of Miami-Dade/Monroe, Inc. has been apprised of the program goals through the attached narrative, hereby incorporated by reference.

WHEREAS, the Executive/Finance Committee recommends approving this action;

NOW, THEREFORE, be it resolved by the Executive/Finance Committee to authorize the President and CEO to request permission from the Office of Head Start to provide Early Head Start- Child Care Partnership services in three more zip codes within Miami-Dade County.
The foregoing resolution and attachment were offered by __________, who moved its approval. The motion was seconded by __________, and upon being put to a vote, the vote was as follows: ____________________.

The vote was recorded as listed in the attached roll sheet.

The chairperson thereupon declared this resolution duly passed and adopted this 6th day of May 2019.

EARLY LEARNING COALITION
OF MIAMI-DADE/MONROE, INC,

By: __________________________
Executive/Finance Committee Secretary
**Background:**

In February of 2015, the Department of Health and Human Services awarded the Early Learning Coalition of Miami-Dade/Monroe (ELCMDM) a grant for the Early Head Start-Child Care Partnership (EHS-CCP). This award identified 10 high poverty zip codes in Miami-Dade/County as areas of service. Since being awarded the grant, ELCMDM has been serving 750 infants and toddlers in these areas. Per the Community Assessment’s top 10 zip codes with the highest number of preschoolers living in poverty, the ELCMDM is serving 5. Three (33012, 33161, and 33157) of the remaining 5 do not have sufficient services for high poverty families with infants. The other 2 zip codes not being served are neighboring to other zip codes that provide EHS services. The grid below provides information on the additional zip codes that the ELCMDM would like to provide EHS-CCP services.

<table>
<thead>
<tr>
<th>Zip Code</th>
<th>Children ages 0-2 years living in poverty</th>
<th>Children ages 3-4 years living in poverty</th>
<th>Other EHS Centers in the Zip Code</th>
<th>Other Childcare Centers offering SR to Infants in the Zip Code</th>
<th>Zip Code's Ranking of Children Ages 0-2 Years Living in Poverty</th>
</tr>
</thead>
<tbody>
<tr>
<td>33012</td>
<td>977</td>
<td>651</td>
<td>0</td>
<td>36 of 61</td>
<td>3rd highest</td>
</tr>
<tr>
<td>33161</td>
<td>944</td>
<td>629</td>
<td>1</td>
<td>12 of 37</td>
<td>4th highest</td>
</tr>
<tr>
<td>33157</td>
<td>698</td>
<td>465</td>
<td>0</td>
<td>18 of 64</td>
<td>10th Highest</td>
</tr>
</tbody>
</table>
Action Requested: Authorize the President and CEO to make a qualified nonelective contribution, from ELCMDM funds, to the ELCMDM's 401k plan to remedy the failed 2018 401k Actual Deferral Percentage and Actual Contribution Percentage non-discrimination testing.

Fiscal Impact: An approximate amount of $186,000.00.

Funding Source: All Funding Sources

Strategic Goal:  □ Neediest Children    □ Providers
                 □ Youngest Children    □ Internal Capacity
                 □ Educate All          □ Funding

RESOLUTION: 05062019-04

AUTHORIZE THE PRESIDENT AND CEO TO MAKE A QUALIFIED nonelective CONTRIBUTION, FROM ELCMDM FUNDS, TO THE ELCMDM'S 401K PLAN TO REMEDY THE FAILED 2018 401K ACTUAL DEFERRAL PERCENTAGE AND ACTUAL CONTRIBUTION PERCENTAGE NON-DISCRIMINATION TESTING.

WHEREAS, the Executive/Finance Committee of the Early Learning Coalition of Miami-Dade/Monroe, Inc. has been apprised of the program goals through the attached narrative, hereby incorporated by reference.

WHEREAS, the Executive/Finance Committee recommends approving this action;

NOW, THEREFORE, be it resolved by the Executive/Finance Committee to authorize the President and CEO to make a qualified nonelective contribution, from ELCMDM funds, to the ELCMDM's 401k plan to remedy the failed 2018 401k Actual Deferral Percentage and Actual Contribution Percentage non-discrimination testing.
The foregoing resolution and attachment were offered by __________, who moved its approval. The motion was seconded by __________, and upon being put to a vote, the vote was as follows: _____________________.

The vote was recorded as listed in the attached roll sheet.

The chairperson thereupon declared this resolution duly passed and adopted this 6th day of May 2019.

EARLY LEARNING COALITION
OF MIAMI-DADE/MONROE, INC,

By: ____________________________
Executive/Finance Committee Secretary
**Background:**

In order to comply with IRS requirements and to correct a failure of the 2018 401K Actual Deferral Percentage and Actual Contribution Percentage nondiscrimination testing, the ELCMDM will need to make a qualified nonelective contribution or (QNEC) for the non-highly compensated employees in the approximate amount of $186,000.00 within 12 months of the end of the plan year or before December 31, 2019. This contribution will bring the ELCMDM’s 401k plan into compliance with IRS requirements for the 2018 plan year. Moving forward, the plan will no longer need Actual Deferral Percentage and Actual Contribution Percentage non-discrimination testing as it was changed to a safe harbor plan as of January 1, 2019. Please refer to attached IRS 401k Plan fix-it guide.
**401(k) Plan Fix-It Guide - You didn't use the plan definition of compensation correctly for all deferrals and allocations.**

<table>
<thead>
<tr>
<th>Mistake</th>
<th>Find the Mistake</th>
<th>Fix the Mistake</th>
<th>Avoid the Mistake</th>
</tr>
</thead>
<tbody>
<tr>
<td>3) You didn’t use the plan definition of compensation correctly for all deferrals and allocations.</td>
<td>Review the plan document definition of compensation used for determining elective deferrals, employer nonelective and matching contributions, maximum annual additions and top-heavy minimum contributions. Review the plan election forms to determine if they’re consistent with plan terms.</td>
<td>Corrective contribution, or reallocation or distribution.</td>
<td>Perform annual reviews of compensation definitions and ensure that the person in charge of determining compensation is properly trained to understand the plan document.</td>
</tr>
</tbody>
</table>

Because your plan may use different definitions of compensation for different purposes, it’s important to apply the proper definition for deferrals, allocations and testing. A plan’s compensation definition must satisfy rules for determining the amount of contributions. One of those rules is that the amount of compensation considered under the plan can’t exceed $280,000 in 2019 ($275,000 in 2018 subject to cost-of-living adjustments for later years). This limit is described in IRC Section 401(a)(17).

You must follow the plan document compensation definitions. Compensation generally includes the pay a participant received from the employer for personal services for a year including:

- Wages and salaries
- Fees for professional services
• Other amounts received (cash or non-cash) for personal services actually rendered by an employee, including, but not limited to:
  ○ Commissions and tips
  ○ Fringe benefits
  ○ Bonuses

The Plan’s terms may include all or a portion of compensation for purposes of determining an employee’s allocation or salary reduction contribution. In addition, your plan may need to ensure that compensation used for testing complies with applicable statutes. For example, a plan might preclude employees from making deferrals from overtime income. However, if overtime is primarily paid to nonhighly compensated employees, then the plan may not be able to use the plan’s restricted definition of compensation for the actual deferral percentage (ADP) test. The plan would have to ensure that the definition of compensation complies with the requirements of IRC Section 414(s) and may need to include overtime for this purpose. Thus, it’s critical that the plan monitor its operation to ensure that the terms of the plan are followed to determine an employee’s elective deferral or other allocation. In addition, it’s critical to monitor the plan to ensure that the compensation used for different testing purposes (e.g., ADP, section 415, top heavy) comply with applicable statutes.

**How to find the mistake:**

Review the plan document to determine if you’re using the proper compensation for allocations, deferrals and testing. Many plan sponsors operate their plan based on a plan summary of the definitions and operational requirements. As the plan is amended, the compensation definition may change while the plan continues to operate as it had previously.

Review the plan sections dealing with allocations and deferrals. Each plan contains sections, either in the plan document or in an adoption agreement, that discuss how the plan must make allocations and deferrals. This section may say, for example, “Employees may defer up to 15% of their Compensation…” You then have to go to the plan section containing definitions and find the “Compensation” definition. Spot-check deferrals and allocations to see if you’re using the correct compensation. Some of these definitions can get complicated with expense reimbursements, car allowances, bonuses, commissions and overtime pay that is or is not included in the definition of compensation. If you have a plan with a complicated definition of compensation, you may want to develop a worksheet to calculate the correct amounts.

**How to fix the mistake:**

**Corrective action:**

There are a couple of ways to make corrections when you have improperly allocated amounts because you didn’t follow the plan definition of compensation. If you’ve determined that an employee made excess elective deferrals, give the participant a distribution of the excess deferrals plus earnings. However, if net earnings are negative then, the plan sponsor will need to make an additional contribution to the participant’s account to reimburse it for the loss. In addition, matching contributions related to the excess deferral (adjusted for earnings) should be forfeited and based on plan terms, either reallocated to other participants or to an unallocated account to be used for future matching contributions. If there are improper profit-sharing contributions, forfeit and based on plan terms reallocate the contributions plus earnings to plan participants or to an unallocated account to be used to be used for future profit sharing contributions.

If you’ve determined that an employee made deferrals that were less than what should have been made had the correct compensation amount been used, then a corrective contribution needs to be made to the employee’s account within the plan. The employee would receive a corrective qualified non-elective contribution (which is an employer contribution in which the employee is fully vested) equal to 50% of the missed deferral (i.e., the
difference between the amount that should have been deferred based on the use of correct compensation and what was deferred. In addition, the employee would receive a corrective employer matching contribution, if applicable, equal to the difference between what the employee would have received if the correct elective deferral was made and the actual matching contribution. Finally, the employee would receive a corrective employer contribution to the extent that he or she received a profit sharing allocation that was less than what he or she would have been entitled to had the correct compensation been used. All corrective contributions must be adjusted for earnings.

For failures found and fixed promptly, plan sponsors have the option to reduce the corrective contribution for the lost opportunity cost from 50% of the missed deferral to 25% under certain conditions. For additional details, see Mistake #6 of the 401(k) Fix-it Guide.

**Example 1:**
Employer Z sponsors a 401(k) plan with six participants with total plan assets of $375,000. The plan definition of compensation for deferrals and allocations was amended, effective 2005, to exclude bonuses. The plan provides that unallocated forfeitures are to be used for future contributions. For the 2014 plan year, Employer Z improperly included bonuses in compensation when determining allocations and deferrals. Three highly compensated employees each had base compensation of $120,000 and a $30,000 bonus. Each of these highly-compensated employees had deferral percentages of 6% of compensation and the plan provides for a fixed profit-sharing allocation of 5% of compensation to each participant’s account. The plan provides for a 50% matching contribution for deferrals up to 6% of compensation.

- Each of the three employees properly received a profit-sharing allocation equal to 5% of their $120,000 compensation ($6,000), but improperly received an allocation equal to 5% of the $30,000 bonus ($1,500).
- Each of the three employees properly deferred 6% of their $120,000 base compensation ($7,200), but improperly deferred 6% of the $30,000 bonus ($1,800).
- Each of the three employees properly received a matching contribution of 3% of their $120,000 base compensation ($3,600), but improperly received an allocation equal to 3% of the $30,000 bonus ($900).

For each employee, Employer Z should forfeit the profit-sharing allocations of $1,500 adjusted for earnings and reallocate the forfeited amounts to an unallocated account to use for profit-sharing allocations in future years.

For each employee, Employer Z should forfeit the matching contributions of $900 adjusted for earnings and reallocate the funds forfeited amounts to an unallocated account to use for matching contributions in future years.

Employer Z must distribute the improperly contributed elective deferrals of $1,800 adjusted for earnings to each of the three employees. However, if the earnings are negative, then Employer Z must make an additional contribution to the plan so that the affected plan participants don’t suffer a financial loss with regard to the excess deferrals incorrectly paid to the plan.

**Correction programs available for Example 1:**

**Self-Correction Program:**
The example illustrates an operational problem because Employer Z didn’t follow the plan terms by including bonuses in compensation when determining plan allocations. If the other eligibility requirements are satisfied, Employer Z may use SCP to correct the mistake.

- No IRS imposed user fees for self-correction.
- Practices and procedures must be in place.
- If the mistakes are **significant** in the aggregate:
Employer Z needs to complete correction by December 31, 2016.
If not corrected by December 31, 2016, Employer Z isn't eligible for SCP and must correct under VCP.

- If the mistakes are insignificant in the aggregate, Employer Z can correct beyond the two-year correction period for significant errors. Whether a mistake is insignificant depends on all facts and circumstances.

Voluntary Correction Program:
Correction is the same as described under SCP. If the plan is not under audit, Employer Z makes a VCP submission. Employer Z's plan's had less than $500,000 in plan assets, so the user fee for the VCP submission made in 2018 is $1,500. When making the submission, Z must include Forms 8950 and 8951 and consider using the model documents set forth in the Form 14568 series. VCP user fees may change in subsequent years.

Audit Closing Agreement Program:
Under Audit CAP, correction is the same as under SCP. Employer Z and the IRS enter into a closing agreement outlining the corrective action and negotiate a sanction. The sanction under Audit CAP is based on facts and circumstances, as discussed in Section 14 of Revenue Procedure 2016-51.

Example 2:
Employer Y sponsors a 401(k) plan with plan assets that exceed $500,000 but are less than ten million dollars. The plan definition of compensation for deferrals and allocations was amended, effective 2005, to include overtime. For the 2014 plan year, Employer Y improperly excluded overtime compensation when determining allocations and deferrals. Three non-highly compensated employees each had base compensation of $30,000 and $10,000 in overtime income. Each of these non-highly compensated employees had deferral percentages of 4% of compensation and the plan provides for a fixed profit-sharing allocation of 5% of compensation to each participant’s account. The plan provides for a 50% matching contribution for deferrals up to 6% of compensation.

- Each of the three employees properly received a profit-sharing allocation equal to 5% of their $30,000 compensation ($1,500), but in error, didn’t receive an allocation equal to 5% of the $10,000 overtime income ($500).
- Each of the three employees properly deferred 4% of their $30,000 base compensation ($1,200), but in error, the 4% election didn’t extend to their overtime incomes of $10,000 ($400).
- Each of the three employees properly received a matching contribution of 2% of their $30,000 base compensation ($600), but in error, didn’t receive the matching contributions they would have been entitled to had deferrals been made from their overtime incomes. If the 4% elective deferrals were made from their overtime incomes, they would have been entitled to receive an additional matching allocation equal to 2% of the $10,000 in overtime income ($200).

For each employee, Employer Y should make additional profit-sharing contributions of $500 plus earnings.

For each employee, Employer Y should make an additional qualified non-elective contribution of $200 (or 50% of the missed deferral of $400) plus earnings.

Employer Y should make an additional employer matching contribution of $200 plus earnings to each of the three employees.

In terms of the missed elective deferrals, other correction methods may be acceptable to fix that part of this mistake. See Mistake #6 of the 401(k) Fix-it Guide for details.

Correction programs available for Example 2:
Self-Correction Program:
The example illustrates an operational problem because Employer Y didn't follow the plan terms by excluding overtime compensation when determining plan allocations. If the other eligibility requirements are satisfied, Employer Y may use SCP to correct the mistake.

- No IRS imposed user fees for self-correction.
- Practices and procedures must be in place.
- If the mistakes are significant in the aggregate:
  - Employer Y needs to complete correction by December 31, 2016.
  - If not corrected by December 31, 2016, Employer Y isn't eligible for SCP and must correct under VCP.
- If the mistakes are insignificant in the aggregate, Employer Y can correct beyond the two-year correction period for significant errors. Whether a mistake is insignificant depends on all facts and circumstances.

Voluntary Correction Program:
Correction is the same as described under SCP. If the plan is not under audit, Employer Y makes a VCP submission. Employer Y's plan had assets that exceed $500,000 but less than ten million dollars, so the user fee for the VCP submission made in 2018 is $3,000. When making the submission, Y must include Forms 8950 and 8951 and consider using the model documents set forth in the Form 14568 series. VCP user fees may change in subsequent years.

Audit Closing Agreement Program:
Under Audit CAP, correction is the same as under SCP. Employer Y and the IRS enter into a closing agreement outlining the corrective action and negotiate a sanction. The sanction under Audit CAP is based on facts and circumstances, as discussed in Section 14 of Revenue Procedure 2016-51.

How to avoid the mistake:
- Perform annual reviews of the plan operations.
- If the plan document is amended, check the definitions against the old document, noting any differences. Have a centralized person or department responsible for maintaining all plan documents.
- If you amend your plan document, communicate those changes to everyone involved in the plan's operation. Plan sponsors should develop an internal communication mechanism to timely and accurately advise plan administrators and outside service providers (outside plan consultant, actuary and/or third party administrator/record keeper) of changes.
- Provide proper training of in-house personnel who determine compensation to understand the plan document.
- Know what your third party administrators have agreed to provide. They may be relying on you for information, such as compensation and deferral amounts used in their work. Retain a copy of your third party administrator service contract including any updated contracts; and keep a summary of what's being supplied to the plan by the third party administrator, actuary or consultant. Keep this service contract and summary with the person responsible for maintaining all plan documents.
- Try to simplify your plan's definition of compensation and use the same definition for multiple purposes.
Action Requested: Approve the Evaluation Committee’s recommendation to award contract for RFP#ELCMDM2019-04 (Early Head Start Playgrounds), and authorize the President and CEO to negotiate and execute contracts with the selected vendor(s).

Fiscal Impact: The contract is for an approximate amount of $632,540.00 until October 31, 2019, which is subject to the availability of funding.

Funding Source: Department of Health and Human Services, Administration for Children and Families

Strategic Goal: ☑ Neediest Children
☑ Youngest Children
☐ Educate All

☐ Providers
☐ Internal Capacity
☐ Funding

RESOLUTION: 05062019-05

APPROVE THE EVALUATION COMMITTEE’S RECOMMENDATION TO AWARD CONTRACT FOR RFP#ELCMDM2019-04 (EARLY HEAD START PLAYGROUNDS), AND AUTHORIZE THE PRESIDENT AND CEO TO NEGOTIATE AND EXECUTE CONTRACTS WITH THE SELECTED VENDOR(S).

WHEREAS, the Executive/Finance Committee of the Early Learning Coalition of Miami-Dade/Monroe, Inc. has been apprised of the program goals through the attached narrative, hereby incorporated by reference.

WHEREAS, the Executive/Finance Committee recommends approving this action;

NOW, THEREFORE, be it resolved by the Executive/Finance Committee to authorize the approval of the Evaluation Committee’s recommendation to award contract for RFP#ELCMDM2019-04 (Early Head Start Playgrounds), and authorize the President and CEO to negotiate and execute contracts with the selected vendor(s).
The foregoing resolution and attachment were offered by _________, who moved its approval. The motion was seconded by _________, and upon being put to a vote, the vote was as follows: _____________________.

The vote was recorded as listed in the attached roll sheet.

The chairperson thereupon declared this resolution duly passed and adopted this 6th day of May 2019.

EARLY LEARNING COALITION
OF MIAMI-DADE/MONROE, INC,

By: ___________________________
Executive/Finance Committee Secretary
**Background:**

Resolution #04012019-05 authorized the President and CEO to release a Request for Proposal (RFP) for Early Head Start Playgrounds. On April 4, 2019, the Early Learning Coalition released RFP#ELCMDM2019-04 for Early Head Start Playgrounds. On or before April 17, 2019, the Early Learning Coalition received two (2) proposals from the following:

- Kaplan Early Learning Company
- Builcore, Inc.

Legal Counsel reviewed the proposals on April 17, 2019; the proposals were deemed responsive.

On April 18, 2019, the proposals were reviewed by four (4) evaluators who made up the Evaluation Committee.

**Evaluation Committee Members:**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. <strong>Johanna Miranda</strong>, Contracting Officer- Jackson Health System</td>
<td></td>
</tr>
<tr>
<td>2. <strong>Jeffrey Hurst</strong>, Family Services Counselor/Community Liaison/Trainer- Department of Children and Families</td>
<td></td>
</tr>
<tr>
<td>3. <strong>Ann Marie Martinez, M.Ed.</strong>, Quality Assurance Program Monitor &amp; Technical Assistance Specialist- Early Learning Coalition of Miami-Dade/Monroe, Inc.</td>
<td></td>
</tr>
<tr>
<td>4. <strong>Salvatore Martorano</strong>, Early Head Start Compliance Manager- Early Learning Coalition of Miami-Dade/Monroe, Inc.</td>
<td></td>
</tr>
</tbody>
</table>

On April 25, 2019, at the second Evaluation Committee Meeting, the committee moved and passed a motion to recommend that the Early Learning Coalition negotiate and execute contracts with Kaplan Early Learning Company and Builcore, Inc. The committee's decision to select both vendors was due to time constraints. Being able to contract with both vendors will allow the Early Learning Coalition the ability to provide the new sites with updated playground equipment within the current fiscal year.

<table>
<thead>
<tr>
<th>Proposer's Name</th>
<th>Final Rating (Max 400)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kaplan Early Learning Company</td>
<td>380</td>
</tr>
<tr>
<td>Builcore, Inc.</td>
<td>332</td>
</tr>
</tbody>
</table>
### Evaluation Scorecard:

**RFP # ELCMDM2019-04**  
Early Head Start Playgrounds

<table>
<thead>
<tr>
<th>Organizational Capacity</th>
<th>Kaplan Early Learning Company</th>
<th>Buildcore, Inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Max. Score</td>
<td>30</td>
<td></td>
</tr>
<tr>
<td>1 Has demonstrated knowledge of rules and requirements governing public funding and non-profit regulations including compliance with Davis-Bacon Act.</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>2 Has demonstrated knowledge of rules and regulations governing child care facilities or local licensing regulation (DCF).</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>3 Has the capacity of qualified employees or subcontractors for completing multiple work orders simultaneously, in a strict timeline.</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>4 Ability to provide enough insurance coverage and bonding assurances as required.</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>5 Shows a timeline per job site.</td>
<td>5</td>
<td>5</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Experience</th>
<th>Kaplan Early Learning Company</th>
<th>Buildcore, Inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Max. Score</td>
<td>43</td>
<td></td>
</tr>
<tr>
<td>1 Has demonstrated experience in successfully completing projects of similar size and scope.</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>2 Has demonstrated history of successfully completing projects on time and within budget.</td>
<td>8</td>
<td>6</td>
</tr>
<tr>
<td>3 Has at least 5 years relevant experience.</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>4 Has demonstrated experience working with non-profit organizations.</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>5 Has demonstrated experience in working with child care facility projects.</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>6 Has demonstrated experience working with federal grants.</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>7 Has demonstrated experience in meeting the requirements of the Davis-Bacon Act.</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>8 Has received positive recommendations from references on past projects completed.</td>
<td>10</td>
<td>10</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Proposal</th>
<th>Kaplan Early Learning Company</th>
<th>Buildcore, Inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Max. Score</td>
<td>27</td>
<td></td>
</tr>
<tr>
<td>1 Provided a clear presentation.</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>2 Addressed all items on the RFP.</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>3 Presented a sound and effective methodology and timeframe for completing the multiple work orders simultaneously.</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>4 Presented a clear proposal.</td>
<td>5</td>
<td>5</td>
</tr>
</tbody>
</table>

**TOTAL**

<table>
<thead>
<tr>
<th>Kaplan Early Learning Company</th>
<th>Buildcore, Inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>100</td>
<td>98</td>
</tr>
<tr>
<td>98</td>
<td>98</td>
</tr>
<tr>
<td>89</td>
<td>95</td>
</tr>
<tr>
<td>95</td>
<td>63</td>
</tr>
<tr>
<td>95</td>
<td>98</td>
</tr>
<tr>
<td>95</td>
<td>76</td>
</tr>
<tr>
<td>95</td>
<td>95</td>
</tr>
</tbody>
</table>

**TOTAL SUM**

<table>
<thead>
<tr>
<th>Kaplan Early Learning Company</th>
<th>Buildcore, Inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>400</td>
<td>380</td>
</tr>
<tr>
<td>380</td>
<td>332</td>
</tr>
</tbody>
</table>

**AVERAGE**

<table>
<thead>
<tr>
<th>Kaplan Early Learning Company</th>
<th>Buildcore, Inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>160</td>
<td>95</td>
</tr>
<tr>
<td>95</td>
<td>83</td>
</tr>
<tr>
<td>Trans. Date</td>
<td>AMEX Description</td>
</tr>
<tr>
<td>------------</td>
<td>---------------------------------</td>
</tr>
<tr>
<td>2/28/2019</td>
<td>FAIRFIELD INN 2Q7 TALLAHASSEE FL</td>
</tr>
<tr>
<td>3/1/2019</td>
<td>BUDGET RENT A CAR TALLAHASSEE FL</td>
</tr>
<tr>
<td>3/2/2019</td>
<td>BUDGET RENT A CAR MIAMI FL</td>
</tr>
<tr>
<td>3/2/2019</td>
<td>HILTON GAINESVILLE H GAINESVILLE FL</td>
</tr>
<tr>
<td>3/2/2019</td>
<td>HILTON GAINESVILLE H GAINESVILLE FL</td>
</tr>
<tr>
<td>3/2/2019</td>
<td>HILTON GAINESVILLE H GAINESVILLE FL</td>
</tr>
<tr>
<td>3/15/2019</td>
<td>BUDGET RENT A CAR E-TOLLS.COM NJ</td>
</tr>
</tbody>
</table>

$1,932.72

<table>
<thead>
<tr>
<th>Quarterly Breakdown - Airfare, Hotel, Car Rental</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Airfare August</td>
<td>$-</td>
</tr>
<tr>
<td>Total Hotel August</td>
<td>$1,546.00</td>
</tr>
<tr>
<td>Total car rental &amp; tolls August</td>
<td>$386.72</td>
</tr>
</tbody>
</table>

Total EHS monthly charges                                      | $1,932.72 |