

**Bill Walker, Governor**

Box 115516  
Juneau, AK 99811  
V/TTY: (907) 465-2814  
Fax: (907) 465-2856

**Department of Labor and Workforce Development**  
DIVISION OF VOCATIONAL REHABILITATION

**Southeast Alaska Independent Living, SAIL**  
**Site Review Report**  
**May 5 & 6, 2015**

**Review Team: Velja Elstad, DVR**  
**Heidi Frost, SILC**  
**Jim Swanson, DVR**

The Division of Vocational Rehabilitation, DVR, conducted a comprehensive site review on SAIL May 5 – 6, 2015. State fiscal years 2013 and 2014 were reviewed. DVR administered the following grants/contracts to SAIL during this period: Independent Living IC 13.04 & IC 14.04; Independent Living for Older Individuals who are Blind OB 13.06 & OB 14.06; Interpreter Referral GF 13.10 and GF 14.10.

**Follow-up 2013 Site Review:** No compliance issues requiring corrective action were identified in the 2013 review.

**2013 Recommendation:** SAIL put forth greater effort in capturing data that reflects the population served.

**Progress:** Completed. In the 2013 review, race and ethnicity of approximately 17% of those served was “unknown.” A review of the most recent data indicates a significant and steady improvement in data collection. In FY13 approximately 7% of those served were categorized as “unknown”; and in FY14 that percentage dropped to 5%.

**2013 Recommendation:** Develop a safety plan and procedure, specific to each office that describes what to do and where to go in case of an emergency.

**Progress:** Completed. The agency developed a Safety Plan that is specific to each office. The review team commends SAIL for developing a comprehensive safety plan that also includes procedures to follow when catastrophic disasters occur.

**2013 Recommendation:** Develop a procedure that details how and when consumer satisfaction is assessed.

**Progress:** Completed. The IL Network and the State Independent Living Council, (SILC) collaborated and determined the SILC will assist in assessing consumer satisfaction.

**2013 Recommendation:** Expand the current grievance procedure for consumers or develop a separate procedure that is specific to staff.

**Progress:** Completed. SAIL's Board of Directors recently approved a comprehensive Title VI Plan that details the grievance procedure for staff and individuals receiving service.

**2013 Recommendation:** Expand the agency's confidentiality policy and describe how consumer information is safe guarded, (i.e. locked cabinets, password protected, etc.).

**Progress:** SAIL is in the process of expanding this policy.

**2015 Review:** The team reviewed overall agency and program administration including but not limited to, policy & procedures, strategic planning, staff development, fiscal management, quality assurance, resource development, program eligibility, case records and data collection specific to each program. The review team appreciates the time staff committed to organizing materials and participating in the review.

SAIL has been partnering with DVR and providing independent living services throughout southeast Alaska since 1993. During the review it was evident that SAIL provided the five core independent living services and numerous individuals benefited by living and more actively participating in their homes and communities. One such individual had suffered a traumatic head injury and stated that general, everyday occurrences such as cars driving by, people talking and walking, overwhelmed her. She found it difficult to decipher and manage the various sounds and sights most people encounter every day. As a result, she tended to seclude herself and rarely went outside even for short walks. Staff at SAIL suggested she try using noise cancelling headphones and loaned her a pair to sample. "I can't believe the difference those headphones make! I can go for walks and actually enjoy them! Staff also suggested I try wearing tinted sunglasses. When I wear both the headphones and my new blue tinted glasses, it makes the world manageable. I'm out in the world again...part of the world again." The review team noted excellent collaboration with this specific case which utilized multiple service providers including DVR and ATLA.

All consumers interviewed stated they were very satisfied with the services they received. At the time of this review the SILC was assisting SAIL in assessing consumer satisfaction and service needs.

The review team conducted a thorough review of case records. Documentation was maintained in a combination of hard case files and in a database MiCil, which is designed to capture required data for both the IL and OB grants. Case records contained the required documentation including IL plans, signed waivers and eligibility statements. Documentation and case notes in both the file and database made it possible to track progress and follow each case.

SAIL maintains a close working relationship with DVR and is an approved Community Rehabilitation Provider, CRP. As an active CRP, SAIL receives a fee-for-service which has increased steadily since the 2013 review. Fee for services averaged \$16,000 in FY2013, \$26,500 in FY2014 and \$37,500 in FY2015. The agency was recently awarded funds to provide transition and pre-employment services to students with disabilities.

In addition to DVR, SAIL continues to partner and collaborate with numerous agencies and service providers throughout southeast and the state. The agency is commended for building and maintaining these strong business relationships. Some of their partners include: Tlingit and Haida Tribal Vocational Rehabilitation, Senior Centers, Alaska Center for the Blind and Visually Impaired, Senior and Disability Services, Department of Parks and Recreation, School Districts throughout southeast.

All staff interviewed indicated they were very satisfied working as an employee of SAIL. They were appreciative of their employer which they described as flexible, honest and supportive. Although the agency does have turn-over, many have been employed at SAIL for several years. Recently SAIL's Deputy Director submitted her resignation to work for another agency. Staff stated it will be difficult to replace such a valued employee. Staff also commented that although they enjoy their jobs, they are concerned over recent budget reductions. The agency's IL state grant was reduced and their Interpreter Referral grant was discontinued. Although layoffs are not anticipated, the agency is considering reducing some fulltime positions to part-time. Staff also expressed concern that the IL program would likely be moving from DVR to Health and Social Services. SAIL is encouraged to maintain open communication and continue to support staff during this transition and potentially stressful time.

In addition to the program review, DVR conducted a review of the fiscal operations at SAIL. Financial monitoring was conducted throughout the entire grant/contract cycle which ran concurrent with the state fiscal year. A Due Diligence review was also conducted prior to awarding the IL and OB contracts. This review verified that SAIL was in compliance with the following:

- Abides with Department of Labor & Workforce Development Laws
  - a) Occupational Health and Safety

- b) Workers' Compensation
  - c) Unemployment Insurance
  - d) Wage and Hour
- Audited financial statements
- Certificates of Insurance
  - a) General liability
  - b) Professional liability
  - c) Automobile
- Lien free in the Alaska Statewide Accounting System (AKSAS)
- Good standing with corporations
- Past grant performance

The agency's cost allocation plan, audited financial statements, management reports, onsite interviews, a review of payments/invoices and the general ledger were reviewed to determine if costs were allocable and followed their Cost Allocation Plan. The review determined that SAIL is following their Cost Allocation Plan and it appears to be working well for them. Their plan allows them to treat all costs as direct costs except administration and general expenses. The audited financial statements received an opinion from the auditors and SAIL appears to be in a good financial position based on the audited statements.

A sample of expenditures were reviewed and traced to their source and were determined to be allowable, incurred during the contract period and corresponded to SAIL's approved budget. Costs were treated consistently with other costs incurred for the same purpose. The cash flow process was observed which verified that procedures are followed that prevent fraud and miss handling of cash. Payroll disbursements were appropriately calculated and accurate.

SAIL is required to document the time staff spend on a specific program. Federal cost principles detail the requirements for ensuring the proper accounting of staff time, both for staff working full-time on one program and for staff splitting their time on multiple programs.

**Excerpt from OMB Circular A-122 2 CFR Part 230, "Cost Principles for Non-Profit Organizations"**

- 8.h.4           Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection (5). Such documentary support will be required where employees work on: (a) more than one federal award; and (b) A federal award and a non-federal award.

8.h.5 Personnel activity reports or equivalent documentation must meet the following standards: (a) they must reflect an after-the-fact distribution of the actual activity of each employee; (b) they must account for the total activity for which each employee is compensated; (c) they must be signed by the employee; and (d) budget estimates or other distribution percentages determined before services are performed do not qualify as support for charges to federal awards but may be used for interim accounting purposes.

Currently not all staff that provide direct services are tracking their time spent on each project (funding source) separately. This current practice may directly impact how SAIL allocates administrative personnel costs through their cost allocation plan. The plan relies on the salaries of direct program staff to compute administrative personnel costs. To allocate costs correctly, direct program staff must track their time in accordance with the program worked. SAIL has failed to comply with 2 CFR Part 230.

Overall, the review team found SAIL to be an administratively sound and very effective Independent Living Center. Individuals with a variety of significant disabilities received professional services that enabled them to live more independently in their homes and participate in their communities. It is recommended that SAIL continue to expand the agency's confidentiality policy and describe how consumer information is safe guarded, (i.e. locked cabinets, password protected, etc.)

The review team believes that SAIL will be a more viable agency by accurately tracking, charging and reporting staff time.

The following corrective action is required.

- SAIL is required to submit a corrective action plan no later than November 2, 2015 that addresses how it will track, report and charge staff time to multiple projects. The plan must meet the OMB requirements for documenting employee time and activity.