



## RESPECT Program Review Guidelines December 2019

RESPECT Program Reviews are a useful exercise in identifying potential risks for the program. The reviews generate information that assists with the RESPECT compliance review process and ensures adherence to Sections 413.032-413.033, Florida Statutes, Florida Administrative Code 60E1.0004 3(3), Central Non-Profit Agency Contract 914-000-10, and RESPECT Policies and Procedures.

The RESPECT Policies and Procedures handbook is the guiding document that outlines the Program Review Process. The development of the handbook was the first step in the Quality Review process. In February 2019, the handbook was amended to further clarify expectations and to communicate amended Program Review processes and procedures.

Separate program review guidelines have been developed for both commodity and service contracts to capture the unique variances between these two types of assignments. While commodity Program Reviews are completed as one process, service contracts are broken down into programmatic and fiscal reviews.

During and following the reviews, RESPECT will work with Employment Centers to help them achieve the joint mission of our respective organizations. RESPECT is committed to providing direction and support throughout the review process.

At the conclusion of the Program Review, RESPECT will note accomplishments and areas that need improvement while offering appropriate recommendations or technical assistance to resolve concerns. Concerns that cannot be resolved may result in the Employment Center being placed under formal Monitoring or Corrective Action or having an independent audit conducted.

**Authority** – Sections 413.032-413.033, Florida Statutes, Florida Administrative Code 60E1.0004 3(3), Central Non-Profit Agency Contract 914-000-10 and RESPECT Policies and Procedures Part III, II, D, A.

### Commodity Program Review Guidelines

The RESPECT Commodity Program Review process will examine key areas of risk that could affect the program, its partner Employment Centers, or individuals served. Accordingly, this review examines disabled labor ratios, appropriate compensation, quality of work, value-added, and individual's access to competitive employment options.

RESPECT examines the following areas using the noted methodologies:

**Wages** – RESPECT will ensure proper wages are being paid at or above the Florida minimum wage or at a commensurate wage with the Employment Center possessing a current 14c certificate from the United States Department of Labor. To accomplish this, RESPECT takes the following steps:

- Pull time cards or other timekeeping systems for hours worked for the specified quarter or longer;
- Compare time cards to payroll or register for the same period; and
- Conduct walk-throughs comparing time reports to wages paid to ensure appropriate compensation for hours worked or pieces produced.

**Documentation of Handicap (Disability)** – The RESPECT program must provide employment opportunities for Floridians with disabilities as intended. RESPECT will ensure compliance with this policy goal by doing the following:

- Review 100% of employee documentation regarding “severe handicapped” status as defined in the RESPECT Policy and Procedures;
- Use “significant impairment to employment” definition found in RESPECT Policies and Procedures to identify which workers have documented disabilities;
- Note any deficiencies in documentation; and,
- Seek additional information when warranted.

**Ratios of Handicapped to Non-Handicapped** – RESPECT Employment Centers must maintain a 75% or greater ratio of disabled labor hours agency-wide. To accomplish this, RESPECT will use the data derived from the above steps to derive the ratio for the sampled period.

**Value Added** – RESPECT ensures that commodities produced by individuals with severe handicaps reflect adequate appreciable contribution, or work, provided by individuals as applied to the development or production of each commodity. To ensure this, the Program Review report will identify and describe work performed by individuals for each assigned commodity that demonstrates adequate value-added.

**Employment Activities** – RESPECT is charged with promoting employment activities within the Employment Centers to place Floridians who are disabled in competitive and integrated employment settings while providing employees with more employment choices. RESPECT will examine the steps the Employment Centers are taking in support of this goal to identify suggested improvements for Employment Centers and offer appropriate supports.

RESPECT will take the following steps:

- Review the Employment Center’s methodology or policy for job placement in competitive employment opportunities;
- Review Information on employment-related training activity;
- Review documentation of any vocational evaluation or employment assistance services.
- Review evidence of annual client surveys for choice and satisfaction;
- Inquire if any staff are assigned placement and support duties;
- Inquire about Employment Center activity that promotes relationships with Vocational Rehabilitation, CareerSource Florida, or other partners offering employment assistance;
- Discuss with Employment Centers options regarding agency based micro-enterprise or home-based business opportunities for the blind and/or severely handicapped.

**Quality** – RESPECT is responsible for conducting quality assurance reviews on all commodities produced through the program and determining customer satisfaction of such commodities.

RESPECT will take the following steps:

- Examine and document the quality of each commodity;
- Review with the Employment Center quality complaints received during the review period and how they were or should be addressed; and,
- Review the agency’s Quality Policy or Quality Assessment Process.

### **Services Programmatic Program Review Guidelines**

The RESPECT Programmatic portion of the Program Review will examine key areas of risk that could affect the RESPECT of Florida program, its partner Employment Centers, and risk to the individuals employed by the Employment Centers. The reviews will examine wages, the number of individuals served, handicap documentation, ratios of handicapped to non-handicapped labor, employment activities, and the quality of services provided.

RESPECT will examine the following areas using the noted methodologies:

**Wages** – RESPECT Contract Managers will ensure that proper wages are being paid at or above the Florida minimum wage or at a commensurate wage with the Employment Center possessing a current 14c certificate from the United States Department of Labor. RESPECT will:

- Review time cards or other timekeeping systems for hours worked for the specified time period.
- Compare timesheet information to payroll or register for the same period.

**Handicap Documentation** – RESPECT provides employment opportunities for Florida’s blind and/or severely handicapped population. RESPECT will:

- Review verification of Employment Center employees documented disability per RESPECT Policy and Procedures; and,
- Review the documentation for each employee to see proof of significant impairment, and note any deficiencies in the documentation.

**Handicapped Employment Opportunities Per Contract** – Employment Centers provide a pricing proposal for each contract that includes the number of employees needed to provide the service. RESPECT Contract Managers will use data gathered during the review to determine if the Employment Center is, in fact, providing the employment opportunities established in the pricing proposal.

**Ratio of Handicapped to Non-Handicapped Agency-Wide** – Employment Centers must maintain a 75% or greater ratio of blind and/or severely handicapped direct labor hours worked on an agency-wide basis. RESPECT Contract Managers will use agency-wide ratio data gathered in the annual RESPECT re-certification Program Review ratio findings to evaluate Employment Center risk of falling below the 75% ratio agency-wide requirement.

**Ratio of Handicapped Labor per Contract** – RESPECT Employment Centers must maintain a majority 51% or greater ratio of blind and/or severely handicapped direct labor hours worked for each contract. To accomplish this, RESPECT Contract Managers will examine the following:

- Verify Personnel Records for valid certification of disability; and,
- Use data derived from the review of site/contract labor hours to derive the ratio for the sampled time period.

**Employment Activities** – RESPECT is charged with promoting employment activities, in accordance with RESPECT Policies and Procedures, Appendix L, within the Employment Centers to place more blind and/or severely handicapped individuals in competitive and integrated employment settings while providing employment choices. RESPECT Contract Managers will survey the steps Employment Centers are taking in support of this goal using the following areas:

- Employment Center’s methodology or policy for job placement in competitive employment opportunities;
- Information on employment-related training activity;
- Documentation of any vocational evaluation or employment assistance services;
- Evidence of annual client surveys for choice and satisfaction;
- If any staff are assigned placement and support duties;
- Relationships with Vocational Rehabilitation, CareerSource Florida, or other entities serving as partners toward placements and supports; and,
- Agency based micro-enterprise or home-based business opportunities for the blind and or severely handicapped.

**Quality** – RESPECT is responsible for ensuring quality work on all service contracts. While quality assurance is an ongoing activity that Contract Managers focus on throughout the contract year, the annual program review will address quality issues that have been identified and addressed throughout the year.

### **Services Financial Program Review Guidelines**

The RESPECT financial portion of the Program Review will examine key areas of risk that could affect the RESPECT of Florida program and the partner Employment Centers that participate in the program. Chapter 413, F.S., states: “The price shall recover for the nonprofit agency the cost of raw materials, labor, overhead, and delivery, but without a profit, and shall be revised from time to time in accordance with changing cost factors.” The financial Program Review is utilized to ensure that RESPECT contracts remain compliant with Chapter 413, F.S., and is used to make pricing recommendations for RESPECT customers.

The RESPECT financial section of the program review will be based on the contract’s yearly expiration date. The review will typically cover a 12-month period, covering portions of two contract years, one that includes four months from the prior year pricing and another, which includes-eight months of current year pricing.

RESPECT will initiate the Financial Program Review by forwarding spreadsheets to the Employment Center. The spreadsheets will be used to indicate RESPECT expenditures paid

out based on payments made to Employment Centers based on costs grouped into three buckets.

- **Direct labor and fringe** – The payroll cost of the labor that performs the work on the contract and associated payroll taxes and paid benefits;
- **Supply cost** – The cost of equipment, trash removal, mulch, fertilizer, chemicals and supplies that are needed to perform the contract; and,
- **Overhead costs** – Indirect costs that are needed to manage and administer the contract along with other associated overhead costs.

Based on an Employment Center's profit and loss statement, the Employment Center will provide actual contract expenditures for the specified periods for each line item. Expenditures for any line item that does not tie directly back to the profit and loss statement will require an explanation so that RESPECT can appropriately place the expense.

From the data collected, RESPECT will calculate the contract revenue and create revenue/expense tables that represent how much profit or loss the Employment Center is showing on the contract. Based on the derived data, RESPECT will make a recommendation to the Employment Center regarding expenditures.

If the Employment Center is not covering costs in the areas of labor or supplies, RESPECT will work with the Employment Center to identify strategies for a resolution, which may include recommendations for price increases. If a contract is recovering profit beyond minimal thresholds, RESPECT will recommend increasing labor expenditures or a reduction in contract funding.