Section 3.3 Financial Aid Payment Office

Introduction

Workforce Solutions has a central Financial Aid Payment Office responsible for handling vendor billing and payments for our customer's financial aid. The Financial Aid Payment Office works with our system's vendors by initiating vendor agreements, and making billing and payment arrangements. This includes payments to child care vendors, training providers, and support service vendors as well as payments to employers for on-the-job training reimbursements and custom training projects.

One contractor manages the financial aid payment office. It works directly with the Financial Aid Support Center (where staff establish customer eligibility for financial aid) and Board staff to give up-to-date financial information about the availability of financial aid for area customers.

For the period of October 1, 2015 to September 30, 2016, Workforce Solutions' Financial Aid contractor made payments of approximately $131,003,347 to support over 41,881 area residents to get a job, keep a job, and get a better job.

Workforce Solutions provides financial aid to support people's ability to work, search for work or train for work. Our financial aid falls into the following categories.
- Education scholarships (tuition and fees, books and supplies)
- Child care financial aid (provider payments and other child care supportive services)
- Transportation (expenses related to looking for work, beginning work, or getting to school)
- Work related expenses (clothing, tools and equipment, licenses, documents)
- Work experience wages, and on-the-job training reimbursement

Payment Office Operations

The Payment Office contractor oversees most of the Board's financial aid dollars.

The Board staff makes the initial allocation for financial aid at the beginning of a fiscal year in the contract with the Payment Office contractor, and the Payment Office contractor assists in managing the expenditure of those funds.

The Payment Office contractor currently provides the following functions for Workforce Solutions:

Vendor Relationships and Vendor Networks
- Maintains vendor networks and relationships including negotiating and executing vendor agreements in compliance with Board policies and procedures
- Works with educational institutions to maintain current cost information by vendor, institution and course of study for the Eligible Training Provider System (ETPS).

- Assists Board staff in soliciting new vendors

Financial Aid Payments
- Receives, approves, and pays vendor bills for financial aid delivered to customers. Most the payments are made to child care providers.
  - Receives and processes bills from vendors who provide services to eligible customers using online billing and payment systems. Many of these billing and payment methods include direct deposit and debit cards. (Workforce Solutions pays a few vendors by check.)
- Pays wages for customers participating in supported employment services such as work experience.
- Pays reimbursements to employers for on-the-job training and customized training projects

Cash Substitutes
- The Payment Office procures cash substitute items such as transportation tokens, bus passes, gift cards, bank cards, and gas cards that career office staff use to help customers who need that kind of financial aid to go to work or school.
- The Payment Office maintains inventory and electronically monitors the career offices daily use of cash substitutes to send more when the offices need them.

Tracks and Reports on Financial Aid Obligations and Expenditures
- Maintains and uses the electronically based Financial Aid Management System (FAMS) (currently using Gazelle and MIP) to provide comprehensive and timely information about fund balances, system expenditures, obligations and commitments.
- Uses FAMS to track individual customer's receipt of financial aid to assure individuals do not exceed yearly financial aid categorical limits.
- Analyzes obligations, expenditures and trends in reports to Board staff

Fraud and Overpayment Recovery
- In accordance with Board policies and procedures, staffs and conducts fact-finding for cases of suspected fraud or overpayment
- Reports results on all fraud/overpayment investigations to Board staff
- Initiates efforts to recover overpayments to customers and vendors
- Works closely with Board staff to establish procedures for detecting and minimizing fraud.

Integration with Workforce Solutions system
- Develops and maintains close, integrated working relationships with Employer Service, Career Office, Support Office and Board staff to ensure seamless service for customers and timely payments to suppliers.
- Supports and ensures accurate and timely financial obligation and expenditure data in TWIST, FAMS, and periodic special reports

The Payment Office forecasts funds needs and requests payments from the Board on a regular basis to meet vendor payment obligations. The Payment Office manages these funds to ensure that it is not carrying excess funds.

How It Works

Following are examples of how various system processes involving the Payment Office work:

Scholarships
Scholarships for education/training involve the Payment Office in several ways.

1. Payment Office staff maintain the listings for education/training vendors and the agreements with these vendors.
2. Customers, working through a Career Office, are first determined eligible for Workforce Solutions scholarship funds by the Financial Aid Support Office.
3. The Support Office codes customers to all fund sources for which that customer is eligible using the Financial Aid Management System.
4. Payment Office checks that funds remain available in those fund sources and notifies Career Office which funds will be used to support the scholarship
5. Career Office tracks customer's participation in training
6. Vendor bills Payment Office for tuition and related costs

Child Care Financial Aid
Most customers usually apply for child care financial aid directly through the Support Office. Some customers apply through a Career Office.

1. The Payment Office maintains the listings for early education/child care vendors and the agreements with these vendors
2. When the Support Office determines a customer eligible for child care financial aid, the Support Office contacts that customer's preferred vendor to set up arrangements, ensures that the customer will receive an automated attendance card, orients the customer to Workforce Solutions policies and requirements, and ensures data is properly entered in TWIST. Career Offices carry out these functions for customers they determine eligible.
3. Customers use their automated attendance cards to indicate their children's attendance at a provider.
4. The Payment Office ensures providers have working POS terminals for automated attendance recording and troubleshoot problems with terminals when necessary.
5. The Payment Office uses TWIST to pay child care providers on a regular, established schedule.
6. The Payment Office provides payment back-up to child care providers through an electronic, on-line system. This back-up provides detail for all payments made to a provider.

Employer-based Training Projects
Employer Service is the principal unit involved in employer-based training projects.

1. Employer Service negotiates and executes agreements for all employer-based training projects including on-the-job training, custom training, current worker training, and various combinations.
2. Employer Service enters obligations for employer-based training projects in FAMS and ensures all appropriate trainee data is in TWIST.
3. Employer Service authorizes payments to employers for on-the-job training reimbursements and to employers and/or training providers for other employer-based training project expenses.
4. The Payment Office makes payments to employers and training providers as authorized and directed by Employer Service.

Cash Substitutes
Career offices maintain a supply of cash substitutes – including gas cards, retail store cards, METRO cards and tokens, and cash cards – to provide small amounts of financial aid directly to a customer. The Payment Office is central to the process of obtaining and managing cash substitutes.

1. The Payment Office is responsible for procuring cash substitutes based on Board policies and procedures.
2. The Payment Office distributes cash substitutes to career offices based on historical use data and requests from the offices. The Payment Office maintains a central inventory of all cash substitutes, and offices update the central inventory electronically each day.
3. Career Offices determine customers eligible for this form of financial aid, distribute the assistance in the form of the cash substitute, and keep all the records related to these transactions.
4. The Payment Office maintains the inventory and distributes inventory to offices, reports on use and expenditures, and forecasts needs.

Reporting
The Payment Office provides regular reports to Board staff on financial aid obligations and expenditures, including reports obligations and expenditures by fund stream, reports on payments to vendors, and forecasts.

The Payment Office initiates recovery efforts for overpayments, based on direction from the Board staff, the Support Office, or internal information on vendor payments.

Successful Bidders

We expect the successful bidder to be able to:

- Recruits a network of vendors to provide goods and services to Workforce Solutions customers
- Review and approves new vendor applications
- Maintains a network of vendors to provide goods and services to Workforce Solutions customers
- Work with Board staff to establish procedures to ensure quality training program are approved
- Make initial and on-going expenditure projections
- Prepare and disseminate reports to the Board staff and career office contractors on obligations, encumbrances, and expenditures; customer use; and vendor activity
- Track expenditures by fund, individual, type and category of financial aid.
- Track individual financial aid by category so as not to exceed the yearly limit for an individual.
- Identify and resolve issues involving suspected fraud and recoup funds
- Make recommendations to the Board staff on financial aid use

How to Submit a Proposal

Submit your proposal in the following order:

1.0 Proposal Cover Sheet
2.0 Information about your organization
3.0 Information about your proposal
4.0 Budget and staffing summary
5.0 Assurances and certifications
6.0 Copy of organization's most recent audit and audited financial statements

Information about Your Organization

Provide the following information for us in a narrative that is <u>no more than 12 pages</u>:

1. A description of the organizational structure and why it is structured this way. Is the organization for profit or non-profit? Explain how this organizational arrangement supports Workforce Solutions business model. (no more than 2 pages)

2. An organization chart that shows graphically how your organization operates. (no more than 1 page)

3. Information about any governing boards such as a board of directors or advisory boards. Provide the names and terms of Board members. Include information about affiliated

organizations such as subsidiaries or parent companies, and specifically describe relationships. (no more than 2 pages)

4. A list of the key staff for your organization. Identify the principals and leadership and describe their responsibilities, experience and length of service with your organization. Which principals, if any, would be assigned to work on Workforce Solutions contract? Who controls the management of your organization? (no more than 2 pages)

5. A description of your organization's mission, vision, and values, if you have them. Describe who developed them and how they were developed. How does your organization communicate the vision, mission and core values? How are they expressed in the organization? (no more than 2 pages)

6. A description of how your organization's mission supports that of the Gulf Coast Workforce Board. Describe how you will ensure that your organization's mission, vision and values will not supplant or confuse the Workforce Board's mission in operation of the project. (no more than 1 page)

7. A description of your financial stability and any comments you wish to make about your credit rating, your payment policies, and any recognition you may have received from accrediting or other bodies for organization or financial excellence. Has your organization experience any financial difficulty in the past five years? (no more than 1 page)

8. Include references from at least three organizations that have contracted with your organization to provide services similar to those proposed (name of organization, contact person, telephone/email, amount of contract, services provided).

Information about Your Proposal

Provide the following information for us in a narrative that is <u>no more than 27 pages</u>:

1. A description of your organization's experience in handling billing and payment systems for multiple customers and large numbers of vendors. Include experience with electronic, on-line and other efficient billing and payment systems. How many vendors and customers have you handled in the past? (no more than 5 pages)

2. A description of your experience in responding promptly to vendors. How do you deal with vendor requests to reconcile under/over payments or lost payments? What kind of system do you have to troubleshoot problems with billings and payments? What is your system for addressing vendors' questions on any subject? (no more than 5 pages)

3. A description of systems and practices to safeguard funds and identify fraud or abuse. Describe for us your organization's strategy for eliminating customer, vendor or employee fraud, especially in regard to handling checks, vouchers, bus tokens, cash, pay cards and direct deposits. Describe those processes or systems that, in your experience, best lead to detection of fraud or at least highlight areas vulnerable to fraud. Describe your experience with finding and subsequently deterring fraud. (no more than 5 pages)

4. A description of your organization's experience in using and maintaining management information/database systems to track obligations and encumbrances, process bills, make payments, and report expenditures. What expertise will your organization bring to help keep Workforce Solutions using an efficient financial aid data management system? (no more than 3 pages)

5. A description of your ability to track cumulative funds by fund source, and to track commitments and expenditures by category for each individual customer (no more than 3 pages)

6. A description of your customer service policy, including a description of how you solicit customer feedback and how you use feedback to improve your service with both internal and external customers (no more than 3 pages)

7. A description on how your organization uses technology to provide more efficient service to vendors (1 page)

8. What steps will you take to ensure that any facilities where customers are served, provide physical accessibility in compliance with the Americans with Disabilities Act and Texas Accessibility Survey (TAS) guidelines?

9. How will ensure that your services are delivered in a way that makes them equally accessible to individuals with all types of disabilities?

Budget and Staffing

Use the Staffing Table and Budget forms provided for the Financial Aid Payment Office bidders and provide a narrative back-up which describes in detail your budget line items. Provide us a budget for the first year of the project only. Complete the staffing table and provide us with job descriptions for all positions in your staffing summary, and be sure and address how the staff jobs address the following functions:

- Billing and payments
- Customer and vendor disputes and resolution
- Budget and expenditure tracking
- Procurement
- Customer service
- Fact-finding for suspected fraud

Staffing levels and job descriptions for the current operation are in the Resources section of this request.

Read the General Budget Requirements page in the Resources section before preparing a budget.

Assurances and Certifications

Use the forms provided in this request. Be sure to include all required forms (certifications for debarment, lobbying, and drug-free workplace; Texas franchise tax; Texas state assessments; the general assurances and certifications; and the conflict of interest questionnaire), and be sure that all are properly signed by an authorized representative of your organization.

Audit and Financial Statements

Attach a copy of your organization's most recent organization audit as well as audited financial statements.