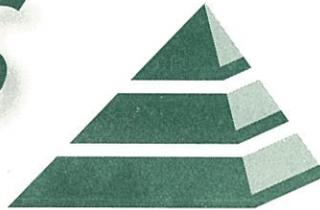


STEPS

Incorporated



Administrative Offices • 225 Industrial Park Road • Farmville, Virginia 23901
(434) 315-5909 • Fax: (434) 315-0246

DATE OF APPLICATION	September 5, 2014
NAME OF ORGANIZATION	STEPS, Inc.
PURPOSE	To secure the designation of community action agency for the counties of: Amelia, Buckingham, Cumberland, Lunenburg, Nottoway and Prince Edward.
ADDRESS	225 Industrial Park Road Farmville, VA 23901
PRESIDENT AND CHIEF EXECUTIVE OFFICER	Sharon L. Harrup, MS sharrup@STEPS-inc.org (434) 315-5909 office (434) 315-0246 fax (434) 390-0692 mobile
IS YOUR ORGANIZATION AN IRS 501(c)(3) NOT-FOR-PROFIT	YES
TOTAL ORGANIZATIONAL BUDGET FOR FY15	\$2,084,924
BUDGET PERIOD	July 1 st – June 30 th
CHAIR, BOARD OF DIRECTORS	Mr. Ken Patterson victm@victoriava.net (434) 696-2343 office (434) 480-0722 mobile
VICE PRESIDENT – FINANCIAL & COMMUNITY DEVELOPMENT	Paul Grossman pgrossman@STEPS-inc.org (434) 315-5909 office (434) 315-0246 fax
VICE PRESIDENT – ADMINISTRATION & COMPLIANCE	Cynthia Saunders csaunders@STEPS-inc.org (434) 315-5909 office (434) 315-0246 fax

Chair, STEPS Board of Directors

August 25, 2014
Date Proposal Approved by the Board of Directors

MISSION

STEPS is committed to creating, coordinating and delivering quality comprehensive services in an effort to foster self-sufficiency and eliminate poverty.

VISION 2018

STEPS meets people where they are in life, offering options and opportunities specific to the need. We support each person's ability to make good decisions in order to move their lives forward. We bring a value to the entire community through our work in economic and workforce development, education and housing solutions. We achieve this Vision through the efforts of energized, proactive leadership, engaged, collaborative community partners and a sustainable, accountable organizational infrastructure.

HISTORY AND CURRENT SERVICES

STEPS has, since 1982, operated as a locally controlled 501c (3) not for profit organization meeting the needs of Virginians with disabilities. Recognizing the tremendous gap in the services provided to our neighbors living in poverty, in 1999 STEPS, with the full support of our volunteer Board of Directors, expanded our service delivery system beyond our traditional job training and employment services. Our current delivery system serves clients from eleven (11) counties in this region: Amelia, Appomattox, Brunswick, Buckingham, Charlotte, Cumberland, Halifax, Lunenburg, Mecklenburg, Nottoway and Prince Edward, an area of over 5,000 square miles. Our strategic expansion has served our region well and has solidified STEPS as a regional entity meeting the needs of citizens in the south central area of the Commonwealth.

We have three (3) physical locations: Town of Farmville – corporate office and recycling center; Prince Edward County – secure document shredding operation and a 73,000 square foot facility; Town of Victoria/Lunenburg County – job training and apparel manufacturing facility. While our case managers have physical office space in a number of our locations, we also provide company cars to ensure that our services can be delivered in the client's home community. It is our plan that should STEPS be selected as the designated community action agency, we would set up regular office hours in the remaining four (4) counties and look to expand our regional footprint through collaborative opportunities.

COMMUNITY NEEDS

There are a number of community needs assessments that have been completed by community partners. However, to our knowledge there was not a needs assessment completed by the former community action agency in a number of years. We reached out to New Horizons/HOPE Community Services, but no return call has been received. Therefore, one of the first priorities should STEPS be designated as the community action agency for this region, would be to conduct a comprehensive needs assessment. At our disposal are the following assessments:

- Centra Southside Community Hospital: 2013-2016 Community Health Needs Assessment and Implementation Plan
- Town of Crewe: Report of the Healthy eating, Active Living Taskforce - 2013
- Lunenburg County Needs Assessment Report – 2012
- An Assessment of Early Childhood in the Heartland Region of Virginia: Smart Beginnings Heartland Coalition - 2010

Copies of each are included in Appendix A of this proposal. As a member of the Board of Directors of the Centra Health System, I have access to not only their "Community Needs Assessment," but also have

access to their staff to assist in developing the strategy for and implementation of a thorough needs assessment in our region. This partnership will provide expert guidance and ensure our region is equitably surveyed. It is our opinion that a comprehensive needs assessment is one of the first critically important actions the new community action agency should undertake.

Also included in Appendix A is statistical data compiled at our request by staff of the Commonwealth Regional Council. This body serves as our local planning district commission and is a valuable community partner. The individual population category classified as “Low to Moderate Income” ranges from 44% - 61.2% in our six (6) county region. The poverty rate for individuals ranges between 10.1% - 24.7% and the poverty rate for families ranges from 7.8% - 17.6%. We have included data, separated by each of the six (6) jurisdictions in our immediate region in the categories of:

- LMI Population (2014 Estimates)
 - Poverty Rate for Individuals
 - Poverty Rate for Families
 - Occupied Housing Units with NO Vehicle
 - Households without Complete Plumbing
- Educational Attainment for Population ages 18 – 24
 - Less than High School Graduate
 - High School Graduate or Equivalent
 - Some College or Associates Degree
 - Bachelor’s Degree or Higher
- Educational Attainment for Population 25 and older
 - Less than High School Graduate
 - High School Graduate or Equivalent
 - Some College or Associates Degree
 - Bachelor’s Degree or Higher
- Households Receiving SNAP Benefits or Other Public Assistance
- Children Eligible for Free/Reduced Price School Lunches
- Percent of People Lacking Basic Prose Literacy Skills

This data demonstrates the critical needs in our region and will be the basis for the initial needs assessment STEPS will complete.

CURRENT POPULATION

Last year, STEPS provided services to **1,210 unduplicated individuals** in need. Demographic data is included below:

- Living below the poverty level - 91%
- Households Served - 615
- Average Age - Forty (40)
- Gender - 968 Female
- 242 Male
- Race - 1,008 Black
- 200 White
- 2 Other

STEPS is currently evaluating software that will be able to track demographic information of individuals, duplicated and non-duplicated numbers, served throughout our entire service delivery system. The

integrity of collected and reported data is essential. It will be critical that accurate data is collected and shared with community partners and funding agencies.

Measuring results and being able to communicate impact will be another critical component in the success of the new provider. While we have not yet been introduced to the “Results Oriented Management and Accountability” (ROMA) system, we have long seen the value in measuring results, program design/impact and most importantly the impact on individual lives. STEPS currently tracks performance in a number of different programs and that is discussed later in this proposal.

Considering the history surrounding performance and accountability issues with the prior community action agency, we are keenly aware that we will be operating “within a fish bowl.” This level of oversight and possible scrutiny does not frighten STEPS. We have been and will continue to be transparent in all of our operations and business practices.

PROGRAMS AND SERVICES CURRENTLY BEING ADMINISTERED

ECONOMIC DEVELOPMENT

Working in collaboration with local/state economic development staff and state/federal agencies, STEPS has been a major employer in this region. In FY14, STEPS paid over 2 million dollars in earned wages. We have truly been an economic driver in our community. This was accomplished by operating three (3) commercial business lines:

- Secure document destruction;
- Regional material processing center for recyclable materials;
- Apparel/woven goods manufacturing.

While we suffered a tremendous blow earlier this year when for pricing reasons we had to walk away from our two (2) million dollar contract with Defense Logistics Agency (DLA), we are in negotiations with an internationally recognized company for the production of several product lines. While we are currently operating under a “non-disclosure agreement,” we anticipate that by mid-October, we will be making a public announcement regarding this contract. It is important to recognize how critical the STEPS diversified funding stream truly is. While the loss of the military sewing contract has been painful both from an employment and cash flow perspective, we have steadied our course and are continuing to provide services to our community citizens in need. Should our organization have been completely dependent on that single revenue stream, the impact would have been drastically different.

WORKFORCE DEVELOPMENT

For over 30 years, STEPS has had a stellar reputation creating and providing workforce development opportunities for Virginians with barriers to employment.

Virginia Department of Aging and Rehabilitative Services (DARS)

Since 1982, STEPS has partnered with this State agency to provide job training and employment for individuals with disabilities. This long standing relationship has expanded over the years to include all of the following services. These services are accessed by local DARS counselors through a “Fee for Service Purchase of Service Vendor Agreement” and a copy of that document is included in Appendix D. Those services include:

- **Extended Employment Services** – provides extended services that will promote job stabilization in order to maintain employment;
- **Long Term Support Services** – provides long term supports to enable citizens with severe disabilities to maintain his/her employment
- **Situational Assessments** – STEPS works with employers and a person with a disability to create a real-world, on-site assessment or working interview revealing that individual’s ability to perform a job.
- **Work Adjustment Training** – This service prepares individuals for employment by developing necessary personal, social and vocational skills training which are often barriers to employment.
- **Supported Employment Services**
 - Individual Model - Through this program, people with disabilities are matched to competitive job openings with area businesses and become employees of that business. STEPS assists the business with screening, job training and continuing support (at no cost to the business).
 - Group Model – With Group Supported Employment, people with disabilities work alongside non-disabled employees in the community businesses or government agencies, while remaining on STEPS’s payroll. STEPS provides on-site supervision, training, counseling, advocacy and support.
- **Job Coach Training Services** – STEPS works with individuals and employers to secure employment and provides onsite job coaching services to ensure a smooth hiring process.
- **Long Term Follow-Along** - Maintaining employment is often challenging for an individual with a disability. Regular contact with the employer, the individual’s family and co-workers fosters success.
- **Transportation** – STEPS coordinates with the existing transportation providers and we also operate our own limited fixed route transportation service.

In 2012, STEPS was asked by the Virginia Department of Aging and Rehabilitative Services to become the **Senior Community Service Employment Program (SCSEP Title V)** operator for ten (10) counties in our region: Amelia, Brunswick, Buckingham, Charlotte, Cumberland, Halifax, Lunenburg, Mecklenburg, Nottoway and Prince Edward. This program provides senior citizens meeting the age, income and/or veteran criteria with job opportunities to increase their employability skills in order to secure employment which in turn will bolster their household income. Included in Appendix D is a copy of this contract.

Local Departments of Social Services

Since 1999, STEPS has been under contract to eight (8) local departments of Social Services: Amelia, Appomattox, Buckingham, Charlotte, Cumberland, Lunenburg, Nottoway, and Prince Edward, to provide **Workplace Supports** to individuals receiving TANF assistance. Recognizing the success the STEPS team demonstrated through the federally funded “Welfare to Work” program, the local DSS Directors wanted to maintain that level of service and success. Through this contract STEPS staff provide training and case management services to referrals received from the local Social Services staff. The ultimate goal is employment. A copy of this contract is included in Appendix D.

Public Schools

STEPS provides a number of our local school divisions with ***Transitional Work Adjustment Services***. This service line was developed specifically to meet the transition needs of students in the special education curriculum in local public schools. This service prepares individuals for employment by developing necessary personal, social and vocational skills training which are often barriers to employment. A copy of the Nottoway Public Schools agreement is included in Appendix D. The other school divisions do not require contractual agreements. They simply purchase services through STEPS at our documented DARS rate.

HOUSING SERVICES

Recognizing the lack of housing services to citizens in our region and leveraging the stellar reputation STEPS has in meeting local need, STEPS, in 2013, with the support of our local counties, began providing much needed housing services.

Virginia Department of Housing and Community Development (DHCD)

DHCD reached out to STEPS with a request to serve as the region's homeless prevention provider. With a local grass roots initiative spearheaded by STEPS, the Heartland Local Planning Group (HLPG) is now a regional presence and serves as a member of the Continuum of Care in Balance of State services. STEPS provides the following services through the Virginia Housing Solutions Program (VHSP):

- ***Prevention Services***
- ***Rapid Rehousing***
- ***Shelter***

We designed this program to include a central intake process through the utilization of a toll free number, (855) 955-5501, provide 24 hour coverage 365 days per year and was recently awarded a two-year contract to continue the much needed services in our region. To date, 257 individuals have been served through this program. A copy of the DHCD contract for this service line is included in Appendix D.

Dominion Virginia Power

In March, 2013, STEPS entered into a partnership agreement with Dominion Virginia Power for our organization to be the local provider for Dominion's "***EnergyShare***" program in the following counties:

- Amelia
- Buckingham
- Cumberland
- Lunenburg
- Nottoway
- Prince Edward

In the past twelve months, this program served 683 individuals in 226 households in our six (6) county region. A copy of the official press release is included in Appendix D.

EDUCATION

STEPS works in tandem with local school divisions and the local community college system to ensure access to education for the citizens in our region. Literacy proficiency is a critically important services that STEPS is able to link persons in need with community partners. We work closely with the Special Education Coordinators in local school divisions to ensure federally mandated transition services are provided to students with disabilities. STEPS intends to focus resources on two critically important needs in our region through the creation of an after school tutoring program and the re-establishment

of Project Discovery. Head Start is another targeted program for our organization, but the Request for Proposals for our region has not yet been released. STEPS will respond once the RFP is released.

TRANSPORTATION SERVICES

STEPS operates a limited transportation system providing rides to/from job search, job interviews and places of employment. STEPS partners with the Virginia Department of Rail and Public Transportation through the **Section 5310** financing pool to purchase and utilize vehicles to meet the transit needs of our region. We also partner with the Town of Blackstone, the operator of our local “*Piedmont Regional Transit*” system, serving Amelia, Buckingham and Cumberland counties. When the Cumberland County Board of Supervisors stopped funding this vital public transportation service, STEPS came forward and we currently provide the required local match for public transportation services to continue in Cumberland County. Transportation continues to be a barrier to self-sufficiency and an area of focus for future expansion of services.

PROGRAM EVALUATION

STEPS utilizes an “*outcomes measurement system*” to assess our performance. This process solicits feedback from all stakeholders: clients; family/caregivers; community partners; and funders. While this process currently includes only our employment related services, STEPS has already begun expanding that process to include our housing and business operation initiatives. This is an objective way to measure the appropriateness of the services being provided and measure the satisfaction of our stakeholders. A copy of the 2013 Outcomes Measurement Report is included in Appendix D. The FY2014 report has not yet been completed.

The STEPS employment related programs are internationally accredited by the **Commission on Rehabilitation Facilities (CARF)**. STEPS has maintained this strenuous accreditation for over thirteen (13) years. A copy of our current accreditation is included in Appendix D. Due to the temporary closure of our Victoria manufacturing operation, STEPS requested an extension of our accreditation and that extension was granted until February, 2015. Our organization will host CARF surveyors during the first quarter of 2015.

STEPS has a number of other evaluations and/or monitoring reports that are service specific performed on a routine basis:

- Ability One Commission
 - Committee for Purchase from People Who Are Blind or Severely Disabled (2011)
 - Source America (NISH) Non-Profit Agency (2014)
- Affirmative Action Plan (AAP) (2014)
- AmTrust North America - Worker’s Compensation Audit (2014)
- Department for Aging and Rehabilitative Services Compliance Report for the Senior Community Service Employment Program (SCSEP Title V) and Corrective Action Report (2014)
- Department of Labor Desk Audit (not a routine audit)

Copies of each of these reviews are included in **Appendix D**.

While we have not yet been introduced to the “Results Oriented Management and Accountability” (ROMA) system, we have long seen the value in measuring our results, program design and impact on individual lives. This commitment to quality is demonstrated by the number of assessments we receive

on a regular basis, as stated above. We agree to utilize and do not anticipate any difficulty adhering to the requirements set forth by ROMA or any similar results oriented management and accountability system requirement.

COLLABORATION - 5 MOST ACTIVE PARTNERSHIPS

Having been a regional entity since 1982, STEPS has a long history of “thinking outside the box.” This strategy has served us well in the past and will continue to prove valuable as we continue to expand our service delivery system.

Local County Governments – STEPS is seen as the “go to” entity when a need is presented. This is demonstrated by our presence in economic development discussions with industry prospects considering opening a plant in our region. This can also be documented through our expansion into the Department of Housing and Community Development’s (DHCD) Virginia Housing Solutions Program (VHSP). When DHCD funding was stripped from the former community action agency, several local governments reached out to STEPS to fill that service gap. DHCD, having had experience with STEPS in the past on economic development projects through their Community Development Block Grant (CDBG) program, recognized our ability to expand services to meet unmet needs.

We are also proud that local governments recognize the value of the services we provide. We receive annual county allocations from five (5) of the six (6) counties in this region. Fiscal Year 2015 allocations total \$76,584 and range from \$3000 - \$25,000 per county. These dollars in addition to other unrestricted funds: business line revenue or fundraising/donations will be used as match for the Community Services Block Grant (CSBG) funds.

The STEPS CEO is on a first name basis with all six (6) county administrators, county staff and many of the elected members of the Boards of Supervisors. This relationship has proven to promote success for community citizens, STEPS and county governments. Letters of support are included in Appendix C and please note that all six (6) counties have gone on record stating that STEPS is their “only” or “preferred” choice for the Community Action designation.

Local Departments of Social Services – STEPS has been working with the local social service agencies in the region since its inception. Initially through Title XX funding, this collaboration has expanded to include the Workplace Supports Program, Virginia Housing Solutions Program, Heartland Local Planning Group (HLPG) and *EnergyShare* opportunities. Collaboratively, STEPS and local Department of Social Services staff work in tandem to meet the needs of qualifying individuals. Letters of support from all six (6) of the DSS Directors are included in Appendix C.

United Way of Prince Edward County – STEPS receives financial support from the United Way. While the funding is vital, the collaboration with other United Way funded agencies provided the catalyst for the formation of the “Roundtable of Non Profit Leaders.” STEPS is facilitating a local movement to provide the mechanism to “co-locate” a number of United Way agencies serving our neighbors living in poverty. The synergy in this group is tremendous. While this initiative is still in its infancy, the agencies at the table are interested not only in co-locating, but also evaluating how to combine “back office” functions to allow more funding to be used to meet client needs. The plan is to locate this “one stop shop” enterprise in a 73,000 square foot facility that STEPS owns in Farmville. The collaboration between public and private entities will be a delicate process, but a challenge that our region can handle. Current participating members include other regional entities: Meals on Wheels; FACES (local

food distribution agency); Madeline’s House (domestic violence shelter); Southside Pregnancy Center; YMCA; Habitat for Humanity; Legal Aid. What an exciting initiative! A letter of support from Mr. Rucker Snead, President of the Board, is included in Appendix C.

Virginia Department of Aging and Rehabilitative Services (DARS) – The relationship between STEPS and this State agency dates back to 1982. STEPS staff has ready access to local DARS staff as this agency is co- located in STEPS Corporate Office. Local DARS staff and STEPS staff have enjoyed a long and mutually beneficial collaborative relationship. Often staff will meet to “brainstorm” the best way to provide services to a client living with a disability. And sometimes the best opportunity for a DARS client may not be within the STEPS service system. That is okay...meet the individual’s needs first. In 2012, Mr. James Rothrock, Commissioner of the Virginia Department of Aging and Rehabilitative Services, asked if STEPS would be interested in becoming the *Senior Community Service Employment Program (SCSEP Title V)* operator for a ten (10) county region. We graciously agreed and continue to provide quality job training and employment services to our senior citizens since. Working with the senior population and citizens with disabilities in the workforce development/employment arena provides great joy to our organization. Employment is one of the quickest ways for neighbors living in poverty to assist in lifting themselves to a better way of life. An email of support from Mr. James Rothrock, Commissioner, is included in Appendix C.

Centra Health - This highly respected hospital system headquartered in Lynchburg affiliated with Southside Community Hospital in Farmville a number of years ago. This merger has proven to be quite a game changer for our community. I have the privilege of serving as Vice Chair of the Centra-Southside Community Hospital Board and am one of two (2) Farmville representatives on the Centra Health system governing Board of Directors. While the provision of healthcare in our community has dramatically improved since this affiliation, the impact Centra has made on our community is equally as impressive. Speaking from firsthand experience, Centra executives are accessible to provide community leadership training, mentoring and technical assistance. The culture of quality that Centra expects is woven throughout their entire system and local leaders can benefit from their knowledge. A copy of Centra’s most recent “Community Health Needs Assessment” is included in Appendix A. The process and format of this vastly inclusive document will be the model STEPS uses to complete a much needed needs assessment if designated as the next community action agency for our region. Centra is also generous with their financial support of worthwhile community organizations. STEPS has been fortunate to receive financial contributions on an annual basis and Centra staff are now engaged with the “co-location of services to those citizens living in poverty” initiative mentioned earlier in the United Way of Prince Edward County section. A letter of support from Mr. E.W. Tibbs, President and CEO, is included in Appendix C.

FUNDING SOURCES

County Allocations:

- Amelia
- Appomattox
- Buckingham
- Charlotte
- Lunenburg
- Nottoway

- Prince Edward

United States Congressional Earmark – Funded through the United States Department of Education

United States Department of Agriculture (USDA):

- Grant and low interest loans
 - Rural Business Enterprise Grant
 - Job Creation - Equipment Grant
 - Low Interest Equipment Loan

Virginia Department of Housing and Community Development:

- Virginia Housing Solutions Program (VHSP):
 - Prevention
 - Rapid Rehousing
 - Shelter

A copy of the current contract is included in Appendix D.

- Community Development Block Grants

Virginia Department of Rail and Public Transit Services (DRPT):

- Section 5310 funding for the purchase of transportation vehicles

Virginia Department for Aging and Rehabilitative Services:

- A copy of the contract and listing of our service rates for FY2015 is included in Appendix D.
 - Extended Employment Services
 - Long Term Employment Support Services
 - Situational Assessments
 - Individual
 - Group
 - Work Adjustment Training
 - Supported Employment
 - Job Development
 - Individual Placement and Training
 - Group Options (Mobile Crew, Enclave)
 - Job Coach Training Services (JCTS)
 - Job Development
 - Individual Placement and Training
 - Long Term Follow Along (LTFA)
 - Offsite Employment
 - Onsite Employment
 - Transportation
 - Round Trip
 - One Way
- Senior Community Service Employment Program (SCSEP – Title V).

A copy of the contract is included in Appendix D.

Departments of Social Services (Amelia, Appomattox, Buckingham, Charlotte, Cumberland, Lunenburg, Nottoway and Prince Edward Counties):

- Workplace Supports Program

A copy of the contract is included in Appendix D.

Donations and Fundraising

- STEPS is an approved *Neighborhood Assistance Program (NAP)* offered through the Virginia Department of Social Services
- United Way of Prince Edward County
- Push America (Journey of Hope)
- *"Shopping with a Cause...The Farmville Christmas Show"* (STEPS annual fundraising event)
- Individual, civic, faith and corporate donations

Lunenburg, Nottoway and Prince Edward Public Schools:

- Transitional Work Adjustment Training

A copy of the contract with Nottoway Public Schools is included in Appendix D. The other school divisions do not require contractual agreements. They simply purchase services through STEPS at our documented DARS rate.

Virginia Dominion Power "EnergyShare" Partner for the Counties of:

- Amelia
- Buckingham
- Cumberland
- Lunenburg
- Nottoway
- Prince Edward

A copy of the press release announcing this partnership is included in Appendix D.

Virginia Housing and Development Authority (VHDA):

- **Capacity Building Grant**

A copy of the grant is included in Appendix D.

Business Line Revenue

- Industrial Sewing Customers
 - Department of Defense
 - "Taaluma Totes"
 - "Puppy Bumpers"
- Recycling Customers
 - County Governments
 - Buckingham
 - Cumberland
 - Prince Edward
 - Town of Farmville
 - Private Citizens
 - Public Schools
- Secure Document Shredding

- Internal Revenue Service (IRS)
- Wells Fargo (200 locations throughout Virginia, North Carolina and West Virginia)
- Benchmark Community Bank
- Department of Motor Vehicles
- Piedmont Geriatric Hospital
- Virginia Center for Behavioral Rehabilitation
- County/Municipal Governmental Offices
- Medical and Insurance Offices
- Public Schools
- Attorneys

FINANCIAL REPORTING

STEPS is not solely dependent on federal and state grants. We earn a significant portion of our operational funds through a number of revenue sources including our commercial lines of business, fee for service programs, donations/fundraising and rental income. A copy of the lease agreement with the Virginia Department of Aging and Rehabilitative Services is included in Appendix D.

As requested, the three (3) most recent financial audits are included in Appendix D. To provide clarity on these audits, a letter from our audit firm, Hill & Davis, CPA LLC, and financial analyses are also included in Appendix D. In February, 2014, Hill & Davis notified STEPS that they would no longer be offering auditing services to their clients. Their “Peer Review” is scheduled to take place in 2015 and this process evaluates the audit firm’s services. Since STEPS was the only organizational audit remaining in their firm, the partners determined now was the time to cease servicing our organization. The FY14 audit is being completed by Davidson, Doyle & Hilton, a firm based in Lynchburg.

We have taken the liberty to include a financial analysis. This information includes actions STEPS has taken to solidify our financial position. This document is included in Appendix D.

While the official FY2014 audit will not be completed until late September, included in Appendix D is a copy of our FY2014 unaudited financial statements.

STAFF DEVELOPMENT

Policy Title: BENEFITS – Staff Development – Policy # 6.20 states:

STEPS, Inc. feels strongly that you should have the opportunity to benefit from work related training and education which will enhance your role within the organization. Staff development includes:

1. *ORGANIZATIONAL TRAINING – technical school and college classes, conferences, seminars, workshops, etc.*
2. *IN SERVICE TRAINING – presentations at STEPS, on the job training, etc.*

An employee should observe the following procedure for obtaining approval of a workshop or educational request:

1. *Complete a workshop request form (located in the office) and present to your immediate supervisor;*

2. *The approved request shall be forwarded to the Chief Executive Officer; and*
3. *Upon completion of the course/program, the employee shall submit proof of satisfactory completion, such as a copy of the grade report (B or better) or certificate, etc., and receipts for any related expenses in order to be reimbursed for the training. If you wish to be reimbursed for your training, it must be approved in advance.*

Employees may elect to attend educational classes/workshops at their own expense and on their own time subject to STEPS, Inc. leave policy. Approval must still be secured.

An employee leaving STEPS, Inc. may be required to repay the organization for any tuition or costs reimbursement for educational classes/workshops requested by them which was received within the previous twelve (12) month period. This does not apply to agency initiated or requested educational classes/workshops.

Listed below are a few of the staff development activities that STEPS promotes:

- STEPS ensures that direct client staff are current in their CPR and First Aid training.
- Customer Service Representatives (drivers) for the secure document destruction operation are provided driver training through National Association of Information Destruction (NAID), of which STEPS is a member, and through our commercial insurance carrier.
- STEPS Housing Manager has recently earned the “Certified Housing Counselor” credential
- STEPS is providing continuing education for the bookkeeper at Southside Virginia Community College. She has already completed a “Payroll Law” training.
- The Vice President of Administration and Compliance attends an annual “Employment Law Symposium”
- Various seminars and webinars

NEEDS TO BE ADDRESSED

Once the community action designation is received, below are the immediate actions that will be taken to address the vast needs in our region:

- *Development and implementation of a comprehensive needs assessment.* While a new needs assessment is being completed, we will utilize our knowledge of the region, the assessments included in Appendix A and feedback from community partners, to detail future programs and services to be delivered. That listing is included in the section below.

We also feel strongly that there are three (3) positions that will enhance our service delivery system and those hires should be priorities. Draft job descriptions are included in Appendix B.

- *Chief Financial Officer*
- *Chief Operating Officer* (two existing management positions will be combined to fill this role)
- *Planning Coordinator* – This will be one of the first positions STEPS recruits. This person will serve as the point person for the completion of a comprehensive needs assessment. Once the needs are identified, this staff member will facilitate a review of each need by using a critical assessment evaluation. This process will include a community based, community represented committee to discuss and brainstorm how best to meet the need:
 - Are there resources already in the community that meet this need?
 - Do the existing resources have the capacity to address additional needs?

- If the existing resource is at capacity, is there something STEPS can do to increase their capacity?
- If the existing entity cannot/will not increase capacity, STEPS will put services in place to meet the need. This is the last option...we would prefer to assist the existing agency in the expansion of their services.

FUTURE PROGRAMS AND SERVICES TO BE DELIVERED

Without the benefit of a comprehensive regional community needs assessment, STEPS solicited input from current clients, local agencies (both State and local nonprofits) to identify the following activities to create or expand services to meet community need:

- **After School Tutoring** – providing a “resource room” with a bank of computers to assist with computer training, internet research, etc.
- **Project Discovery** was at one time a strong program in our local community action agency. STEPS believes this program should be reunited with the designated community action agency with a focus to strengthen the services provided to our middle and high school students.
- When the **Head Start** program was removed from Hope Community Services, CDI, a national firm, was brought in to improve services to our children. Our region deserves the opportunity to provide local control over this critically important educational program. STEPS has been asked by a number of our local governments to become the Head Start operator for our region. Our Board of Directors has agreed and we are planning to submit a response when the Request for Proposal is released. While we recognize the tremendous expansion this will mean to STEPS, again our region is faced with an outside entity running the program for our local citizens. STEPS is committed to putting the resources in place to facilitate the expansion.
- STEPS is a member of the local “Re-entry Council.” We intend to strengthen our relationship with **Virginia Cares**.
- STEPS intends to establish a free tax preparation service for low income individuals and families. STEPS will raise awareness of the **Earned Income Tax Credit (EITC)** among all eligible taxpayers and to educate workers, employees, clients and customers of the importance of obtaining all the tax credits to which they are entitled. This initiative will support the *Virginia CASH Campaign (Creating Assets, Savings and Hope)* with the goal of increasing financial literacy, savings and asset building to work towards self-sufficiency
- **Expansion of the public transportation system.** *STEPS currently provides the required match for public transportation services to be offered in Cumberland County. When the Cumberland County Board of Supervisors stopped funding this vital service, STEPS filled the gap. We are hoping to expand the existing routes to provide more coverage in other counties in our region.*

There is one (1) targeted initiative that will utilize current staff and benefit from existing synergy in our community:

- **Creation of shelter beds** – there is currently a group of interested citizens representing the faith community that are putting an organization together for this purpose. STEPS would like to play an active role in assisting them with meeting the zoning, ADA and other building requirements to see this “dream” come to fruition.

There is one (1) targeted program that STEPS intends to pursue when the next round of funding is released:

- **Weatherization Services** –Recognizing our region’s lack of a local weatherization provider, STEPS reached out to TAP (Total Action against Poverty), a community action agency based in Roanoke to “mentor” us through this service expansion. TAP graciously agreed and submitted a proposal to the Department of Housing and Community Development to serve as the lead agency in our region, while providing training to increase STEPS’s capacity for service delivery in this much needed area. The goal was for STEPS to become the weatherization provider in this region within two (2) years. The six (6) county governments in our region have expressed disappointment that services to our region are being “carved up.” At the DHCD public hearing regarding weatherization, representatives from TAP, STEPS, Lunenburg County and Prince Edward County spoke to express our disappointment and request reconsideration. While this collaborative proposal was not funded, STEPS remains diligent in our intent to have local control of the weatherization funds. We will resubmit the proposal in collaboration with TAP in 2017. We feel strongly that services controlled locally will better meet our citizen’s needs. A copy of the Memorandum of Understanding between STEPS and TAP is included in Appendix D.

STEPS has identified two (2) programs that are desperately needed in our region. Both of these initiatives will take additional time to formulate a mechanism for meeting the needs. Therefore, we are not including them in our listing of services to be offered in year one. However, discussions are already underway and we are optimistic that both will come to fruition.

- **Development of mixed use housing options.** STEPS has a relationship with the Virginia Housing Development Authority (VHDA) through their “Capacity Building Grant.” As a current recipient, our ultimate goal will be to leverage resources to build a residential community that will provide affordable housing options – cottage styled homes – that would be occupied by mixed income citizens. The vision is a development where the exterior maintenance would be provided through a Homeowners Association.
- **Adult Day Care** – A rising number of seniors are moving in with their children. This epidemic is creating a three generation household. The generation “in the middle” often must choose between continuing to work or staying at home to care for an aging parent. This service would provide a place for the senior to go during the work day to allow for employment to continue. With the population of seniors growing daily, this need will continue to rise. It is our intent to request support from Piedmont Senior Resources, the Area Agency on Aging (AAA) in our region, for their collaboration on this initiative.

TIMELINE FOR IMPLEMENTATION OF NEW SERVICES

- **After School Tutoring**
This program will be located in the counties of Lunenburg, Prince Edward, and Cumberland. Each location will have four computers where individuals from fifteen to ninety (and older) will have the opportunity to learn how to become computer literate with the Microsoft products of Word, Excel, PowerPoint, and Outlook. They will also be provided assistance in learning how to navigate the Internet environment. Our clients in our VHSP (Virginia Housing Solutions Program) will also be exposed to software relating to Money Management and Credit Counseling. The computers and printers will be purchased and set up within 60 days of contract signing. The participants will be recruited from but not limited to referrals from the local DSS departments, the public schools, the Community Service Board, the local Agency on Aging, and the STEPS internal programs. This program will be coordinated with the local public libraries, the community colleges, the public schools, and Project Discovery of Virginia.

- **Project Discovery of Virginia**
This program is currently being funded directly out of the Project Discovery corporate office to an independent contractor. Our goal is to bring the program back into the local “family” under the community action environment that will provide additional support and dollars in the counties of Cumberland, Amelia, and Prince Edward and possibly Buckingham. This service will coordinate with the public schools and supplement services to students in preparing them to enter higher education, vocational training, etc. This will include visits to college settings. The program discussions will begin upon the CAA designation occurring. This is a “drop and play” program as it has been in existence for a number of years under the previous now de-designated CAA and currently under corporate authority.
- **Head Start**
STEPS, Inc. will proceed with completing the RFP as soon as it is released. The program will operate in nine counties where the 20/21 classrooms are currently and have been operating for several years under the community action environment and then more recently under CDI a national firm. The STEPS COO has 8 years of Head Start Director experience and an additional 7 years of Head Start finance experience.
- **VaCares**
The discussion to operate the existing “Inmate Re-Entry” VaCares program will proceed as soon as the CAA designation occurs. This program was under the local CAA for many years until the program was transferred out of the region due to funding requirements. STEPS will work with VaCares corporate office to bring it back into the local CAA environment. The STEPS COO was on the Board of Director of VaCares for five years. The program will be in a position to operate in all current existing areas as soon as the agreement is completed after CAA designation.
- **EITC (Earned Income Tax Credit)**
The program will operate for a period from January 15, 2015 through April 15, 2015. STEPS CFO will oversee two part time employees and volunteers in the six county area. Emphasis will be placed in counties that will not have assistance available. This will not be known until December. STEPS will remain flexible to serve those counties that will need the assistance.
- **Transportation**
Current transportation services will be expanded to assist clients in new programs when needed. The Planning Coordinator will pursue efforts through grant writing to obtain additional resources for an on demand network and coordinate efforts with existing bus companies.

STEPS IS THE BEST CHOICE

As a well-respected, regional 501(c) (3) not for profit organization, we believe STEPS is perfectly positioned to be the next designated Community Action Agency. It is time our citizens receive the services that are funded for this region and in our opinion, the services need to be delivered by a well-respected entity with an existing regional footprint that has had its roots in our region for over 30 years.

Who We Are

Our mission states it best: ***STEPS is committed to creating, coordinating and delivering quality comprehensive services in an effort to foster self-sufficiency and eliminate poverty.*** We have a long history of providing quality services to meet the needs of our community citizens. We are well respected by our community partners and have a geographic footprint of services in eleven (11) counties in this region.

What We Do

STEPS currently has four (4) strategic pillars of service and provides a variety of services under each pillar:

- Workforce Development
- Economic Development
- Housing
- Education

Last fiscal year we touched 1,210 lives, 91% living below the poverty level.

Partnerships Make It Work

STEPS is considered the “go to” entity in this region when a need arises. We have active partnerships at local, state and federal levels and leverage those partnerships to benefit the citizens in our region. The six (6) counties to be served by the new community action agency are very rural, not an incorporated city in the entire region, so personal relationships and reputations are critically important. STEPS is highly respected. Local elected officials, boards of supervisors and town council members, are valued partners of STEPS and we are frequently asked to assist with meeting a need, recruiting a new business or simply to provide input.

Our Organizational Strengths

We have a clear vision: ***STEPS meets people where they are in life, offering options and opportunities specific to the need. We support each person’s ability to make good decisions in order to move their lives forward. We bring a value to the entire community through our work in economic and workforce development, education and housing solutions. We achieve this Vision through the efforts of energized proactive leadership, engaged collaborative community partners and a sustainable, accountable organizational infrastructure.*** Due to our diversified funding stream, we have a track record of being financially nimble in order to expand and shrink when the economy or funding sources mandate. Through work with the VHDA Capacity Building Grant, we have designed our strategic organizational chart (included in Appendix D) in anticipation of obtaining the community action designation, launched a new accounting and human resource software system, MIP (SAGE) and are now evaluating data management systems.

What Success Looks Like

STEPS touched **1,210** lives last year. Listed below are only a few of the many impacts we have facilitated:

- 184 households prevented eviction
- 270 individuals were provided job training/employment
- 241 households had their energy resources stabilized
- Over 2 million dollars were paid in wages to STEPS employees

Within the next ninety (90) days, we will be launching a newly designed website and a rebranding initiative that will include utilizing social media.

So Why STEPS?

We humbly believe STEPS is the ONLY choice for the community action designation for the following reasons:

- We are locally based - our “roots” are in this region;
- Our thirty year history of providing valued services to citizens with low incomes;

- The vast number of partnerships we have at the local, state and federal levels;
- The widespread respect that STEPS and its leadership have earned;
- We are financially stable;
- We are administratively ready; and last and most likely most important,
- **WE PRODUCE RESULTS THAT CHANGE LIVES!**

The STEPS tagline says it best ***“A hand up, not a handout.”***

OPERATING BUDGET, including the **PROPOSED BUDGET** for each new program and service, is included in **Appendix D**. Also included in Appendix D are the descriptions of each budgeted expense category.

TIMELINE for each New Program and Service is presented on pages 14 and 15 of this application document.

STAFFING – Job descriptions and resumes for current staff are included in **Appendix B**.

CURRENT POSITIONS INCLUDE:

- President and CEO – Job Description and Resume
- Vice President of Administration and Compliance – Job Description and Resume
- Vice President of Financial and Community Development – Job Description and Resume
- Vice President of Employment Services and Business Operations – Job Description – Position is currently vacant
- Case Manager – Job Description and Resume
- Housing Manager – Job Description and Resume
- Bookkeeper – Job Description and Resume

STRATEGIC POSITIONS INCLUDE:

- Chief Administrative Officer (CAO) – Job Description
- Chief Operating Officer (COO) – Job Description
- Chief Financial Officer (CFO) – Job Description
- Planning Coordinator – Job Description
- Proposed Program Positions – Summary of respective functions. Complete Job Descriptions will be completed once Community Action status is achieved.

COLLABORATIVE AGREEMENTS – Included in **Appendix D**

- Memorandum of Understanding between TAP and STEPS regarding the provision of DHCD funded Weatherization Services
- Commonwealth of Virginia, Department of Social Services, VIEW Worksite Agreement (CWEP or PSP)
- South Central Workforce Investment Board Memorandum of Understanding for Business Services, FY13-16

LETTERS OF SUPPORT – Appendix C

- **Six (6) County Boards of Supervisors** document their support of this application. Please pay special attention to the fact that each states that STEPS is the **ONLY** or **PREFERRED** entity to secure their support for the Community Action Agency designation.
- **Six (6) Local Directors of Socials Services**
- Mr. Rucker Snead, President of the Board, **United Way of Prince Edward County**
- Mr. James Rothrock, Commissioner – **Virginia Department of Aging and Rehabilitative Services**
- Mr. E.W. Tibbs, President and CEO – **Centra Health**

REQUIRED APPLICATION ATTACHMENTS – Included in Appendix D

- Certificate of Incorporation and Articles of Amendment
- Current Board Bylaws
- Organizational Charts:
 - Current
 - Proposed – Strategic Organizational Chart
- Operating Budget with separate budgets for each program
 - Expense category definitions
- Personnel Policies – Three (3) Sets of Personnel Policies are included:
 - Staff
 - Hourly
 - Participants served through purchase of service agreements
- Fiscal Policies
- Title V Participant Handbook
- Insurance Documents, including Bonding/Employee Theft
- Property inventory
- IRS 501 (c) (3) Determination Letter
- W-9
- SAM Registration
- Dun and Bradstreet Registration – **#19-817-5572**
- Contracts, Purchase of Service Agreements, Collaborative Agreements and Rental/Lease Agreements:
 - Contract Documents
 - Department of Aging and Rehabilitative Services (DARS) - Senior Community Service Employment Program (SCSEP – Title V)
 - Workplace Supports Contract
 - Nottoway County Public Schools
 - Department of Housing and Community Development (DHCD) – Virginia Housing Solutions Program (VHSP) Contract
 - Dominion Virginia Power EnergyShare Press Release
 - Virginia Housing and Development Authority (VHDA) Capacity Building Grant
 - Purchase of Service Agreements:

- Department of Aging and Rehabilitative Services (DARS) - Purchase of Service Agreement and FY2015 Rate Sheet
 - Collaborative Agreements
 - Memorandum of Understanding between TAP and STEPS regarding the provision of DHCD funded Weatherization Services
 - Commonwealth of Virginia, Department of Social Services, VIEW Worksite Agreement (CWEP or PSP)
 - South Central Workforce Investment Board Memorandum of Understanding for Business Services, FY13-16
 - Rental/Lease Agreements:
 - Department of Aging and Rehabilitative Services
- Listing of the Board of Directors
- List of All Current Funding Sources and Uses
- Most Recent Annual Report
- Three (3) Most Recent Audited Financial Statements with Documentation:
 - FY2011
 - FY2012
 - FY2013
 - Letter of Explanation from Hill and Davis CPA
 - Financial Analysis
 - FY2014 Unaudited Financial Statements
- Strategic Plan
- Program Evaluation and Monitoring Reports:
 - Workforce Development Outcomes Measurement Report (2013)
 - Commission on Accreditation of Rehabilitation Facilities (CARF) (2011)
 - Ability One Commission:
 - Committee for Purchase from People Who Are Blind or Severely Disabled (2011)
 - Source America (NISH) Non-Profit Agency (2014)
 - Affirmative Action Plan (2013)
 - AmTrust North America - Worker's Compensation Audit (2014)
 - Department for Aging and Rehabilitative Services Compliance Report for the Senior Community Service Employment Program (SCSEP Title V) and Corrective Action Report (2014)
 - Department of Labor Desk Audit (not a routine audit) (2013)
- Board minutes – FY 13 and FY 14

APPENDIX A

Community Assessment Included:

- Centra Southside Community Hospital: 2013-2016 Community Health Needs Assessment and Implementation Plan
- Town of Crewe: Report of the Healthy eating, Active Living Taskforce - 2013
- Lunenburg County Needs Assessment Report – 2012
- An Assessment of Early Childhood in the Heartland Region of Virginia: Smart Beginnings Heartland Coalition – 2010
- Regional Statistical Data



2013 – 2016 Community Health Needs Assessment and Implementation Plan



CENTRA

Southside Community Hospital

Prince Edward, Buckingham,
Lunenburg, Cumberland,
Charlotte &
Nottoway counties



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Executive Summary

Centra Health is pleased to provide the calendar year 2013 – 2016 Community Health Needs Assessment and Implementation Plan (CHNA) for Centra Southside Community Hospital. For the purposes of this report, the community is defined as the central southside Virginia region including Prince Edward, Buckingham, Lunenburg, Cumberland, Charlotte, and Nottoway counties. This CHNA Plan Report provides an overview of the health needs and priorities of the communities served by Centra Southside Community Hospital. The goal of this report is to provide readers with a deeper understanding of the health needs in their community, as well as help guide Centra Southside in its community benefit planning efforts and in developing an implementation strategy to address prioritized community health improvement needs. The Centra Southside Community Hospital Board of Directors approved this plan on October 30, 2013 and the Centra Foundation Board approved this plan on November 6, 2013.



The Counties Centra Serves

Demographics Overview: The total population for the geographic area included in this report is 92,106 people, which represents a 0.08% growth rate from 2010 to 2013. 63% of this population is Caucasian American; 33% African American; 4% all other. The median age is 40.1 years with 17% of the total population over the age of 65 years. This represents an “older” population when compared to the age medians for Virginia and the United States. Median household income is \$35,820, which compares lower than both state and national medians. Housing is relatively affordable with the Owner Occupied Housing Unit Median Value at \$115,726. Approximately 17.1% of the population lives below federal poverty levels and the civilian labor force unemployment rate is 9.2% with major employer sectors listed in descending order: healthcare/human services, education, government and manufacturing.

Key Findings: The overall general health status for all residents in the Central Virginia region generally falls within the 30th – 50th percentiles as compared to the national benchmark for a wide array of health status indicators. Having said that, however, there is significant variation in these health status indicators among counties, cities, neighborhoods, and even within census tracts. Cancer, heart disease, and suicide have higher than expected rates. Many of these disease categories share underlying risk factors including obesity, physical inactivity, poor diet, smoking and mental stress. Furthermore, there are significant health disparities, especially among African-Americans in many health status indicators, including access to prenatal care and infant mortality rate. Lastly,

access to primary care is a major challenge in some of our more rural counties including Charlotte and Cumberland counties.

Health Status: An analysis of over 140 community-based indicators on health and quality of life from over 20 different data sources revealed the community needs in the following areas listed in the order of greatest need:

CENTRA SOUTHSIDE COMMUNITY HOSPITAL	
1. Death Rate Due to All Cancers	6. Families Living Below Poverty Level
2. Substance Abuse	7. Low Income Childhood Obesity
3. Adults Who Are Obese	8. Domestic Violence
4. Social & Economic Factors Ranking	9. Death Rate Due to Diabetes
5. High School Graduation Rate	10. Death Rate Due to Heart Disease

Table 1. CHNA Advisory Board’s Prioritization of Unmet Needs Affecting Community Health.

Areas of Priority Need & Action Plans: The preceding areas of priority unmet community needs which were developed through our CHNA process led to the following (Table 2):

Action Plan Priority	Opportunities	Indicator Measures
Access to Care	<ul style="list-style-type: none"> • Access to primary care • Obesity clinic • Access to mental healthcare • Cancer and heart disease screenings 	<ul style="list-style-type: none"> • Death rates due to cancer & heart disease • Death rate due to suicide • Clinical care ranking • Primary care provider rate
Health Status Improvement	<ul style="list-style-type: none"> • Expand health education • Wellness and prevention services • Breast feeding • Nutrition • Smoking • Exercise 	<ul style="list-style-type: none"> • Health behaviors ranking • Low income childhood obesity • Adults who are obese
Health Disparities	<ul style="list-style-type: none"> • Expand access to prenatal care for the African-American population 	<ul style="list-style-type: none"> • Infant mortality rates • Access to prenatal care

Table 2. Selected unmet community health needs for Centra Southside region.

Project Background

A. Organizational Overview

Centra is a regional nonprofit healthcare system based in Lynchburg, Virginia and was created with the merger of Lynchburg General Hospital and Virginia Baptist Hospital in 1987. In 2006, Southside Community Hospital in Farmville, Virginia joined Centra as an affiliate. With more than 6,000 employees, a medical staff of nearly 500 and 150 employed physicians providing care in 38 locations, Centra serves over 300,000 people throughout central and southside Virginia and provides a comprehensive array of medical services in a variety of convenient settings. Centra Lynchburg General Hospital (LGH) maintains 327 licensed beds and is home to the Centra Stroobants Heart Center and the Stroobants Cardiovascular Pavilion, a national benchmark facility for cardiac care. Each year, heart specialists perform more than 5,000 major cardiac procedures. LGH is a Level II Trauma Center, offering emergency and critical care services, and the hospital's emergency department treats more than 92,000 patients each year. The pediatric center is located at LGH as well as an outpatient surgery center, and the hospital offers orthopaedic, neurology, oncology neurosurgery, diabetes and pulmonary services. Centra Virginia Baptist Hospital (VBH) maintains 186 licensed beds and is home to the Birth Center and region's neonatal intensive care unit. Additional services at VBH include mental health inpatient services, rehabilitation medicine, skilled nursing care, physical therapy, breast imaging center, wound care, sleep disorders center, pain management services and outpatient surgery.

Centra Specialty Hospital is a 25-bed long-term acute care hospital located within Centra Virginia Baptist Hospital in Lynchburg which provides longer-term acute care hospital services like for ventilator dependent patients.

Centra Southside Community Hospital in Farmville, Virginia is a 116-bed facility with a comprehensive Birth Center and serves as a medical hub for an eight-county region. Each year, Southside has approximately 4,000 admissions and sees more than 35,000 patients in its emergency department.

The Centra Medical Group is a network of local family practices, primary care physicians, and specialty physician practices in cardiology, gerontology, neurosurgery, orthopaedics, physiatry, psychiatry, rehabilitation and urology covering the greater Lynchburg area and spanning to Danville, Farmville, Big Island, Gretna and Moneta.

The Alan B. Pearson Regional Cancer Center is located in Lynchburg and provides medical oncology and radiation oncology services for central and southside Virginia. It has earned Accreditation with Commendation as a Comprehensive Community Cancer Program from the American College of Surgeons Commission on Cancer.



The mission of the Centra Foundation is to develop resources to enhance and enrich the services, programs and facilities of Centra Lynchburg General, Centra Virginia Baptist and Centra Southside Community hospitals and other subsidiaries in order to assist the Centra system in meeting and solving community health problems.

The Centra Community Health Initiative Fund is a specific purpose fund established and funded by Centra and administered by the Centra Foundation. This fund supports community health-related projects and programs on a pro-active basis. Grant proposal funding is tied to priorities established through our Community Health Needs Assessment to ensure that we continue to meet the health needs of our community.



Centra's awards and accolades include Lynchburg General and Virginia Baptist being twice designated as Magnet[®] hospitals by the American Nurses Credentialing Center; named as one of America's Safest Hospitals by Forbes Magazine; listed as one of

America's Top 100 Most Wired Hospitals; designated as a Breast Imaging Center of Excellence by the American College of Radiology; selected six times as one of 50 Top Cardiovascular Hospitals in America and most recently as one of Top 50 Neurosurgery Hospitals in America.

Patient care encompasses wellness and prevention, recognition of disease and health, patient teaching and advocacy, spirituality and research. Under the auspices of Centra, physicians, registered nurses and allied health care professionals function collaboratively as part of an interdisciplinary team to achieve positive patient outcomes. Patient care at Centra occurs through organized and systematic processes designed to ensure safe and effective care and timely treatment. Patient care providers recognize the unique physical, emotional and spiritual (body, mind, and spirit) needs of each patient served.

B. Scope

The scope of this Community Health Needs Assessment and Implementation Plan pertains to Centra Southside Community Hospital.

C. Communities Served & Demographics

Centra Southside Community Hospital defines its primary service area (PSA) for the central southside Virginia region as the following counties: Prince Edward, Lunenburg, Nottoway,

Buckingham, Charlotte and Cumberland. The total population in our PSA is 92,106 people. Of note, 17% of the total population is aged 65 years or higher, which compares much higher than the rest of country. The Per Capita Income for our PSA is \$19,390, which compares below the national median. Our current unemployment for the entire region is 9.2%, which is higher than national unemployment trends. 12.3% of all families in the primary service area are living below the poverty level, which compares favorably with the national average of 10.8%. It is very important to note there is considerable variation in these demographic statistics between cities and counties, as well as between urban and rural areas.

2013 Population by Single Race (count)	White	33,384
	Black/African-American	18,111
2013 Households by Race and Household Income	Average Household Income (White)	\$50,437
	Average (Black/African-American)	\$36,511
2007 - 2011 Per Capita Income	Primary Service Area	\$19,390
	National	\$40,088
2007 - 2011 Families Living Below Poverty Level	Primary Service Area	12.3%
	National	10.8%

Table 3. Notable disparities in demographics.

D. Purpose(s) of Community Health Needs Assessment

We have chosen to define our Community Health Needs Assessment as a continuous process for evaluating the health needs of the communities served. The reasons for doing this are varied, but the most important reason is to help us realize our overall mission and vision to improve the health status of the community. Other reasons include using the CHNA as a key driver to our strategic planning process to help us design and implement new programs and services in response to these identified unmet community health needs. We also use the CHNA to help us guide the actions of the Centra Foundation's Community Health Initiative, which provides grant funding for area non-profit organizations delivering needed healthcare services to the community. This fund supports community health projects and programs, consistent with the priority unmet community health needs, as identified through our Community Health Needs Assessment and Implementation Plan. Lastly, the completion of our community health needs assessment and successful implementation of our resulting action plan will allow us to be in compliance with the CHNA requirements for tax-

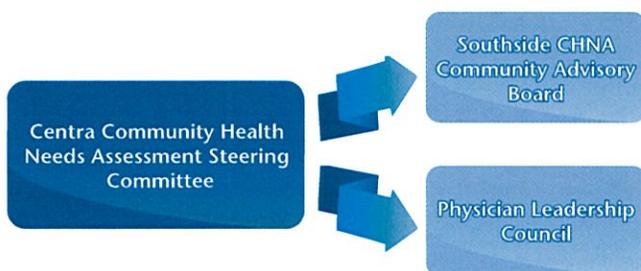


Figure 1. Organizational structure of Centra's CHNA.

exempt hospitals as created by the Patient Protection and Affordable Care Act and as promulgated in regulation by the Internal Revenue Service (IRS) as documented in our Form 990.

E. Approach/Methodology

In late 2011, Centra created an organizational structure and process to allow us to conduct the community health needs assessment

and to adopt an implementation strategy. The organizational structure included creating an internal steering group (see CHNA Steering Committee on Page 29); convening an external group of participants representative of the communities served by Centra Southside Community Hospital (see Southside Community Health Needs Advisory Board on Page 29); and establishing a formal ongoing relationship with Piedmont Health Coalition, a community-based coalition dedicated to improving the health of our community which was formed under the leadership of the local public health authority, the Piedmont Health District. We also involved Centra’s Physician Leadership Council for the purposes of obtaining their feedback and input into this important work. Figure 1 provides a graphical representation of the CHNA structure.

The process we developed to conduct the CHNA has five objectives: (1) identify the data we would use to describe the health needs of the community; (2) use the Southside CHNA Advisory Board to collect community and public health input and feedback; (3) develop a prioritization process to help us define our priorities and to create a specific implementation plan in response to the prioritized unmet needs; (4) development of a written plan to document and communicate the results to the community and (5) establish an ongoing process for monitoring and evaluating the plan’s success.

CHNA Database: After considering alternative approaches to identifying the healthcare needs of the community, we decided to acquire the Healthy Communities Institute’s Health & Social Status Indicator Data (HCI Data) for our community, as defined by our primary service area. The HCI Data quantifies health and population indicators for every city and county, with the capability to further drill down to the neighborhood and census tract level. The Centra Foundation generously provided the funds to purchase and make available to the general public the HCI Database. The database includes health status indicators which come from a variety of federal, state, and local public health data. It is important to note there can be quite a bit of variability in regards to the time periods measured by the individual indicators. The databases note the relevant timeperiods for the data. This database can be publicly accessed off our Centra Southside website by clicking

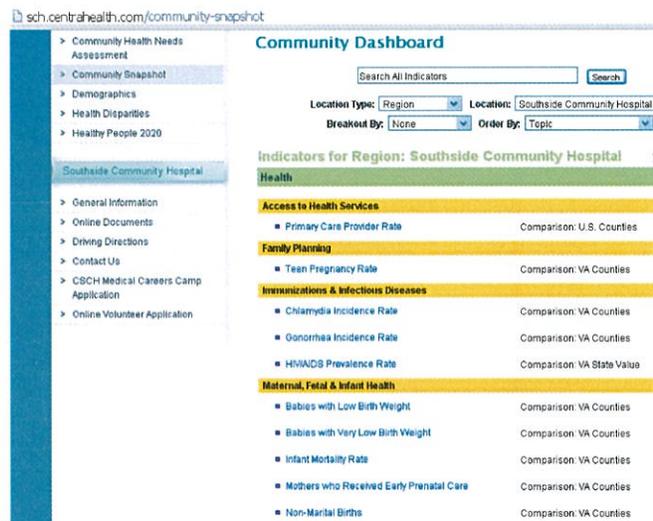
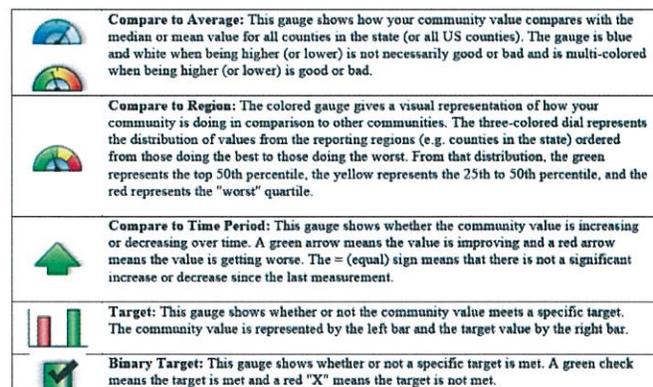


Figure 2. Snapshot of Healthy Communities Institute’s database as embedded in Centra Southside’s website, www.centrasouthside.com.



This legend can be seen when you select "View Legend" on the Community Dashboard main page. It also appears on the indicator itself below the indicator icon.

Figure 3. Legend of indicator gauges from Healthy Communities Institute.

the “Wellness Initiatives” link at the top of the homepage, which brings you to the Community Health Needs Assessment. The Community Health Data and Resources are organized into four sections: Community Dashboard; Disparities Dashboard; Demographics; and Healthy People 2020 Tracker. The community dashboard presents over 100 different population-based indicators measuring health status, social welfare and education outcomes in addition to economic and environmental factors that have the potential to impact the health of communities. Indicator data is available at regional, county, city, zip code boundary and census tract levels. The disparities dashboard views data broken down by racial, ethnic, age, and gender groups to identify disparities within populations. The demographic section profiles demographic elements (age, income, gender, family structure, etc.) within the population. The Healthy People Tracker shows how we are doing in comparison to the national Healthy People 2020 goals as promulgated by the US Public Health Service.

We contracted to have this data organized according to our primary service area and to have this data roll up to a region-wide basis, consistent with how Virginia has organized its regional public health system. This database essentially allowed us to follow a fact-based approach to assessing the health needs of the community, by comparing and contrasting the indicator data from our primary service area and comparing it to national norms and national public health goals in an effort to identify our greatest community health improvement opportunities. In total, we reviewed over 500 discreet indicators for the Centra Southside market area. The data was then further stratified by performance to goal (e.g., in the red or near red), as well as according to health disparities in an effort to identify our greatest opportunities for health status improvement.

Community Participation and Input: On July 11, 2012, we convened the first meeting of the Centra Southside CHNA Community Advisory Board at Centra Southside Community Hospital in Farmville. Over 25 key constituent community leaders attended representing education, business, social service agencies, faith-based organizations, government, regional public health authority, colleges (including the local School of Public Health), other healthcare providers, and neighborhood citizen organizations. The participants also included those organizations representing the needs of the medically underserved, low income, or minority populations which included STEPS, Inc., Southside Area on Aging, Crossroads Community Services Board, and Central Virginia Health Services (FQHC). The purpose of this first meeting was to review the CHNA process, structure and the regional preliminary findings. The group also learned to use the Healthy Communities Database and reviewed the database results by geographic region according to four category groupings, Disease-Specific Indicators; Access to Care & Social Environment; Maternal & Child





Health & Education; and Other Community Health Indicators. Participants were then assigned to three breakout discussion groups, according to the three category groupings for the purposes of discussing the implications of the relevant indicator data and identifying the top five most important community health needs within their assigned category according to the criteria enumerated in page 17 of this report. Each discussion group used computerized balloting as the technique the top five needs. Subsequently, each group reported out their findings to the re-assembled larger group. At the conclusion of all the report-outs, the group then voted on the top 10 community health needs from among the 29 presented using a confidential electronic voting system, using the same prioritization criteria. (See Appendix A). The meeting concluded with a review and discussion of the resultant top 10 unmet community health needs as perceived by the Centra Southside Community Health Needs Assessment Advisory Board.

Developing the Plan: The top 10 unmet community health needs identified by the CHNA Community Advisory Board were then introduced as key drivers in the three-year corporate strategic planning process. As a result, a new Corporate Strategic Planning Goal was created around Community Health for the purposes of addressing the community health needs identified in our Community Health Needs Assessment process. By aligning the top 10 unmet community health needs with our strategic planning priorities, we further refined the top 10 list of unmet community needs into three preliminary action plan priorities: Access to Care; Community Health Status Improvement; and Health Disparities.

On March 26th, 2013, we reconvened the Centra Southside CHNA Community Advisory Board. We presented the preliminary three action plan priorities for further review and discussion. At this meeting, we divided the group into three discussion groups, according to each action plan priority. Each group was charged with identifying what specific programs and/or services could be considered to address the action plan priority; who could be considered collaborating partners; identification of barriers and how to overcome them; and the identification of targeted communities, neighborhoods or populations. Each group reported out, identifying opportunities and making recommendations which were then incorporated into the final community health needs assessment action plan.

With this input, the three preliminary action plan priorities were finalized with the addition of specific programs and services; identification of specific collaborating partners; identification of success measures; and a timetable for implementation. These priorities were then introduced into our Centra Foundation Community Health Initiative Fund grant process and into our corporate service line operational planning process in an effort to secure the resources needed to initiate the the program and service opportunities identified in the implementation plan.

Monitoring & Evaluation: We plan on using the HCI Tracker system to report our progress of the CHNA Implementation Plan. This tracker system allows us to report the results of our success measures over time for each action plan priority as compared to the established improvement target. The CHNA Steering Committee will report its findings to the Centra Executive Leadership Team, who in turn will report our results and other improvement activities to the Centra Southside Board of Directors and Centra Foundation Board. Additionally, we plan on using the Piedmont Health Coalition to help us communicate these results to the larger community and to identify new opportunities to improve the health of the community.

Key Findings & Conclusions

A. Overall Findings

When we examine the Community Health Needs Assessment data for the Southside primary service area, we discovered the following:

Significant Findings
Overall, the general health status for central Virginia: 30 th to 50 th percentiles
Significant variation among regions, counties, cities and census tracts
Cancer, heart disease and suicide have higher than expected rates
Underlying risk factors include obesity, physical inactivity, smoking and mental stress
Health disparities: low birth weight babies, infant mortality and access to prenatal care
Access to primary care: Amelia, Buckingham, Charlotte, Cumberland and Lunenburg

Table 4

B. Emerging Issues

When we examined how these indicators have changed over time, we noted the following for our Centra Southside primary service area:

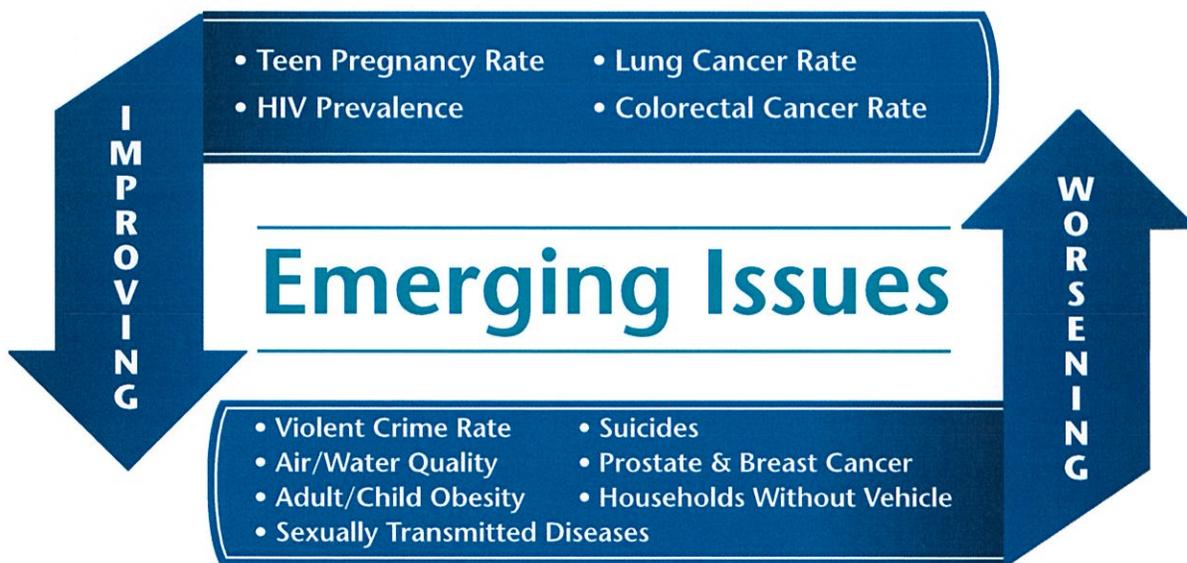


Figure 4

It is important to keep in mind that, although some of these indicators are improving, our actual indicator rates may still compare unfavorably to national benchmarks. Our lung and colorectal cancer care rates are a good example of improving indicator measures that are still below national benchmarks. In fact, central Virginia is part of an epidemiological phenomenon called “The Cancer Belt.” For reasons not completely understood by researchers, the “all cancer death rate” for residents of central Virginia is significantly higher than rates for the rest of the United States. Researchers at Vanderbilt University are presently studying to what extent this increase in cancer rates is attributable to differences in risk factors, genetics, or some other set of contributing factors.

C. Historical Perspective

Many communities, including the greater Centra Southside community, have launched community health improvement campaigns in the past – some with much public health success and some with less. No better example of our ability to improve a public health indicator is our smoking rate. Through a variety of successful public health strategies, the smoking rate in our area over the past twenty years has declined from about 45% to less than 20% of the general population. Along with that decline has been a corresponding decline in lung cancer deaths.

In fact, when we look at the ultimate health status indicator – our overall life expectancy – we have seen a significant increase in life expectancy from 76 years in 1998 to 79 years in 2010. This increase in life expectancy has been largely driven by significant reductions in the two leading causes of death in this country: heart disease and cancer. These two diseases account for over half of all deaths in Virginia and the United States.

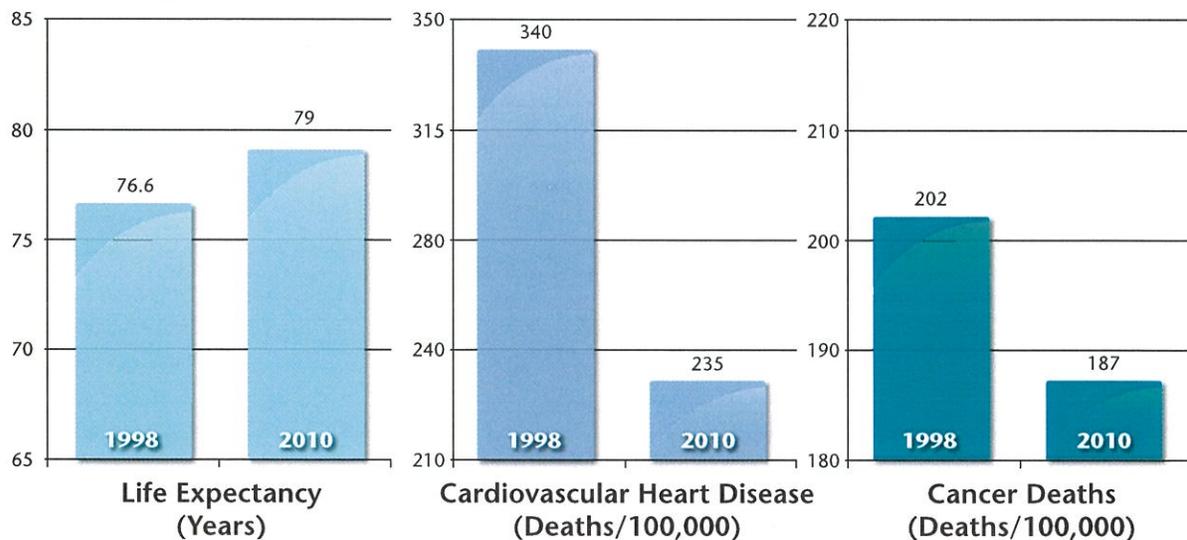


Figure 5

However, there are some indicators that are indeed worsening and have been shown to be stubbornly difficult to improve over time. The indicator for children living in poverty has actually increased to 37.5% in 2010 for all children. The child poverty statistics are even more alarming when stratified by race. The child poverty rate for African-Americans has increased to 37.5% in 2010. Similarly, the number of people who lack health insurance increased from 13.9% to 19% in 2012. Other indicators which have worsened include the child abuse rate, primary care provider rate, infant mortality rate, rate of sexually transmitted disease and obesity rate.

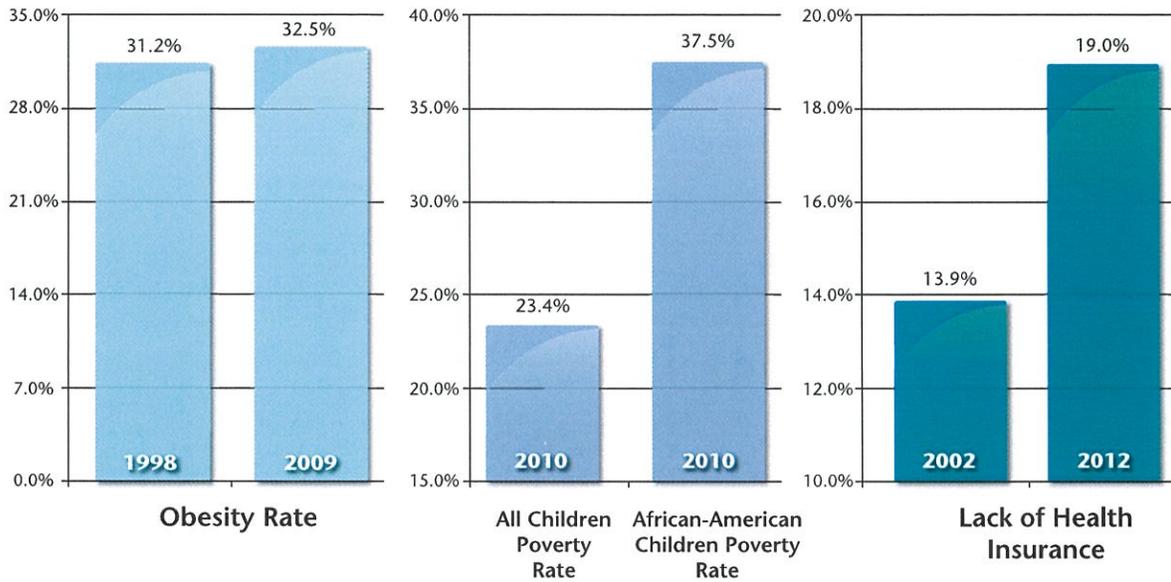


Figure 6

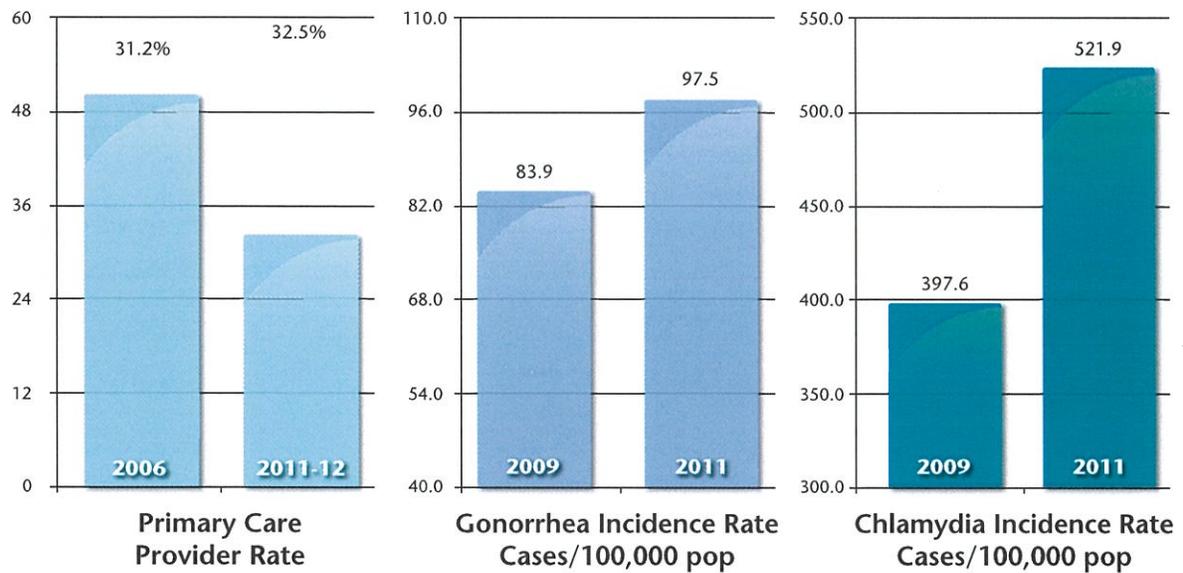


Figure 7

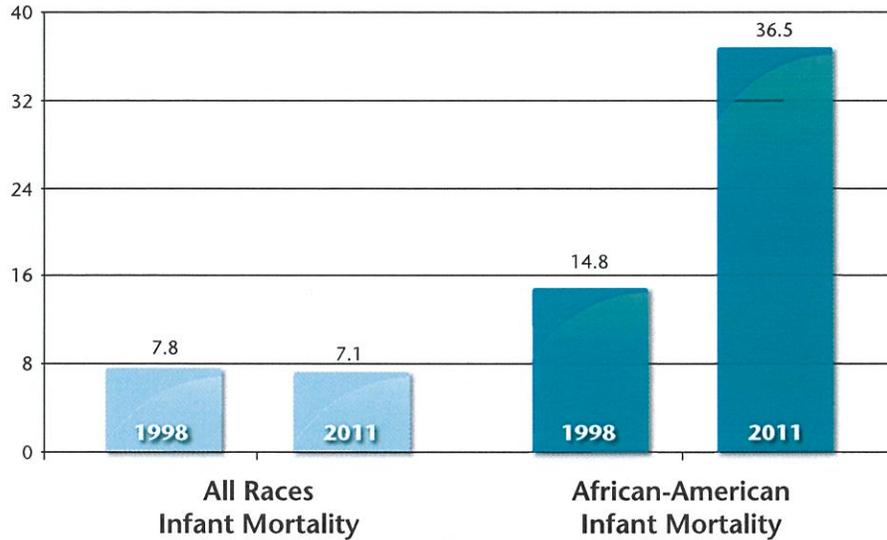


Figure 8 Infant mortality per 1000 live births.

D. What Influences Community Health?

When we look at our calendar year 2010 vital health statistics concerning the leading causes of death in the United States, the leading causes of death in descending order are: cancer, heart disease, lower respiratory illnesses, stroke, accidents, Alzheimer’s disease, diabetes, kidney disease, influenza/pneumonia, and suicide. This list is virtually the same for Virginia, except that cancer is the #1 leading cause of death, rather than heart disease – testimony to the cancer belt phenomena discussed earlier. However, when we look at the actual, or underlying, causes of death – in other words the risk factors that actually cause cancer and/or heart disease, we find in descending order the following underlying causes: tobacco, physical inactivity, alcohol, microbial agents, toxic agents, firearms, sexual behavior, motor vehicles, and illicit drugs. It is interesting to note how prominent our health behavior choices factor into these underlying causes of death.

Leading Causes of Death United States 2010				Leading Causes of Death Virginia 2009				Actual Causes of Death United States 2010		
Rank	Cause	Death	%	Rank	Cause	Death	%	Rank	Cause	Estimate
1	Heart Disease	595,444	24	1	Cancer	14,122	24	1	Tobacco	400,000
2	Cancer	573,855	23	2	Heart Disease	13,397	23	2	Diet and Inactivity	300,000
3	Lower Respiratory Disease	137,789	6	3	Stroke	3,244	6	3	Alcohol	100,000
4	Stroke	129,180	5	4	Lower Respiratory Disease	3,013	5	4	Microbial Agent	90,000
5	Accident	118,043	5	5	Accident	2,622	4	5	Toxic Agent	60,000
6	Alzheimer’s	83,305	3	6	Alzheimer’s	1,738	3	6	Firearms	35,000
7	Diabetes	68,905	3	7	Diabetes	1,560	3	7	Sexual Behavior	30,000
8	Kidney Disease	50,472	2	8	Kidney Disease	1,521	3	8	Motor Vehicle	25,000
9	Influenza	50,003	2	9	Septicemia	1,360	2	9	Illicit Drugs	20,000
10	Suicide	37,793	1	10	Influenza	1,237	2	10	Other	15,000

Table 5

Public health researchers have attempted to describe the overall influences of community health from a population health perspective. What they have found is that our physical environment, such as our air and water quality, transportation, and safe housing accounts for about 10% of our health status. Social and economic factors such as education, employment status, income, family and social supports, and community safety account for 40% of the community’s health. Health status and behavior such as obesity, smoking, physical activity, and our genetics account for 30% of our health status. And lastly, clinical care such as our hospital outcomes and access to primary care accounts for about 20% of the community’s overall health status. What’s striking about these influences is how little “healthcare” affects our overall “health.” This fact takes on even greater significance when you consider where we spend most of our healthcare dollars, and how little return we are getting as it relates to improving the overall health status of the community.

What Influences Community Health?

Physical Environment	Social & Economic	Health Status & Behavior	Clinical Care
10%	40%	30%	20%
Air Quality	Education	Obesity	Hospital Outcomes
Water Quality	Employment & Income	Smoking	Access to Primary Care
Transportation	Family & Social Supports	Exercise	
Safe Housing	Community Safety	Genetics	

Table 6

Centra’s mission will always include being that safety net healthcare resource in the community to help heal the sick and take care of the injured by providing “Excellent Care... Every Time.” However, the implication of this Community Health Needs Assessment is challenging us to consider what



else should we be doing, beyond being the premier healthcare provider in our community, to improve the health status of all our citizens? Who should we partner with to advance this work? Where are the opportunities for our greatest chances for success? These are the questions that will be addressed in the Community Health Needs Assessment Implementation Plan.

Prioritization of Significant Needs

A. Methods & Applied Criteria

Using the HCI database of health status indicators as a source document for the Centra Southside primary service area (Prince Edward, Lunenburg, Charlotte, Mecklenburg, Buckingham and Nottoway), we selected those indicators where much of the indicator performance was at or below the 50th percentile as compared to the particular benchmark norm. For purposes facilitating the review and prioritization of health needs, we aggregated the low performing health status indicators according to four categories: 1. Disease Specific Indicators (e.g., cancer, heart disease, Alzheimer’s, etc); 2. Access to Care and Social Environment (e.g., primary care provider rate, access to health insurance, violent crime rate, and poverty rates); 3. Maternal and Child Health and Education (e.g., infant mortality, teen pregnancy, and 4th grade proficiency); and 4. Community Health Indicators (see Appendix A , for complete listing of low performing indicators by category).

In each category, we asked our Centra Southside CHNA Community Advisory Board members to rank these indicators according to their perception as to how important these indicator needs are to improving the overall health of communities served by Centra. For this exercise, we defined “importance” according to the following prioritization criteria (Source: Robert Wood Johnson Foundation, 2010):

Magnitude of the problem as indicated by the numbers of people affected by the problem
Severity of the problem as evidenced by the risk of morbidity and mortality associated with the problem
Historical trends (e.g., problem which may be getting worse)
Impact of the problem on vulnerable populations (e.g., children, older adults, people with disabilities)
Alignment of the problem with Centra’s role and mission with the community
Adequacy of existing resources to satisfactorily address the problem
Feasibility of change (e.g., availability of tested approaches)
The extent to which the important issues are being adequately addressed by other community-based coalitions

Table 7

B. Results

After completing two “round robin” rounds of prioritization, the CHNA Community Advisory Board identified the following ten most important unmet needs affecting community health (listed in order of priority):

Centra Southside Community Hospital/Piedmont Health District	
1. Death Rate Due to All Cancers	
2. Substance Use	
3. Adults Who Are Obese	
4. Social & Economic Factors Ranking	
5. High School Graduation Rate	
6. Families Living Below Poverty Level	
7. Low Income Childhood Obesity	
8. Domestic Violence	
9. Death Rate Due to Diabetes	
10. Death Rate Due to Heart Disease	

Table 8

We then introduced this list of top 10 unmet needs into Centra’s strategic planning process to serve as need drivers for the purposes of developing our overall corporate strategic goals and action plans, consistent with our mission, vision, and values. As a result of this process, a new corporate goal of Community Health was established with the overall goal to improve community health. Community Health is now one of six corporate strategy pillars for Centra which also include Quality & Safety; The Patient Experience; Culture; Growth; Finance & Efficiency and Community Health. Using the same prioritization criteria used by our CHNA Community Advisory Board, we further refined our Community Health Pillar Action Plans according to the following three broad action plan priorities. The respective top 10 unmet community health need indicator is noted beside each of the following action plan priorities:

Action Plan Priority	Opportunities	Indicator Measures
Access to Care	<ul style="list-style-type: none"> • Access to primary care (#1, #9, #10) • Adult and childhood obesity services (#3, #7) • Access to mental healthcare (#2, #8) • Cancer and heart disease screenings and early intervention (#1, #10) 	<ul style="list-style-type: none"> • Death rates due to cancer & heart disease • Death rates due to suicide • Death rates due to diabetes • Clinical care ranking • Primary care provider rate

Table 9

Action Plan Priority	Opportunities	Indicator Measures
Health Improvement	<ul style="list-style-type: none"> • Expand health education (#5) • Wellness and prevention Services (#1, #3, #4, #7, #9, #10) • Breast feeding (#7) • Nutrition (#3, #4, #7) • Smoking (#2, #10) • Exercise (#3, #7, #10) 	<ul style="list-style-type: none"> • Health behaviors ranking • Low income childhood obesity • Adults who are obese • Substance abuse • Domestic violence
Health Disparities	<ul style="list-style-type: none"> • Expand access to prenatal care for the African-American population (#4, #6) 	<ul style="list-style-type: none"> • Infant mortality rates • Access to prenatal care • Cancer incidence rate • Babies with low birth rate

Table 9

C. Needs Not Addressed

Four of the top 10 community health indicator needs that were identified as not fitting within our prioritized strategic plans and pillar action plans are Social and Economic Factors (# 4); Families Living Below the Poverty Level (#6); High School Graduation Rates (#5) and Domestic Violence (# 8). Our rationale for not including these four indicators as prioritized by our CHNA Community Advisory Board included a sense that both of these critical needs were highly complex in nature and affected by a wide variety of influencing factors – many well beyond the capability and resources



available through Centra and or its collaborating partners. Furthermore with respect to the Domestic Violence and High School Graduation Rates, the board felt other community-based initiatives were already targeting these issues (e.g. United Way’s Community Impact Fund) would serve to address some of these needs. Furthermore, Death Rate due to Diabetes (#9) was felt to be somewhat addressed in our initiatives around Access to Care and Childhood Obesity.

Part of the rationale for establishing a broad category of Health Status Improvement was that we considered this to be a root cause strategy, with improvements in our health behaviors around diet, exercise and smoking as having a positive effect on many other disease-specific indicators including cancer, heart disease and mental health.

Implementation Plan

A. Implementation Plan Strategies

At the second meeting of the Centra Southside CHNA Community Advisory Board, which was held in January, 2013, the preliminary listing of the three CHNA Implementation Action Plan Priorities (Access to Care, Health Status Improvement and Health Disparities) were presented for further review and approval. Furthermore, we used the meeting to identify specific programs and services within each category which would positively impact the specific community health needs indicator associated with the particular action plan strategy. More specifically, we used a nominal group process to identify the following for each action plan priority:

Breakout Group Discussion Questions	
1. What services or programs can be offered to successfully address this action priority?	
2. Who are the potential community collaborators to help address this action plan priority?	
3. What are the obstacles or barriers to success and how can they be overcome?	
4. Which communities, neighborhoods or populations should be targeted?	

Table 10

Each group reported out their findings and recommendations which were then further reviewed internally to assure alignment with our strategic plan and our Foundation Funding Priorities.

As a result, what follows is the implementation plan in response to the Community Health Needs Assessment which covers the period 2013-2016. The implementation plan identifies the relevant action plan priority; specific program or service strategy aimed at addressing the action plan priority; identification of collaborating partners; specific success measure (as related to the specific health indicator being targeted); and the specific success goal as expressed as an improvement target (CY 2016) from the baseline period (CY 2013).





B. Summary Table

Centra Southside Community Health Needs Assessment Implementation Plan: 2013 – 2016

Action Plan Priority # 1: Access to Care				
Plan Opportunity	Strategies	Success Measure	CY2013 From	CY2016 To
A. Access to primary medical care	<ul style="list-style-type: none"> Recruit at new primary care providers (physicians, nurse practitioners, physicians assistants) for Charlotte, Cumberland, Farmville and Lunenburg Collaborate with Liberty University College of Medicine to recruit and employ faculty at Liberty as well with community practices. In collaboration with Lynchburg Family Medicine, expand their residency program and work to retain students and residents in the Southside area. Collaborate with Central Virginia Health Center (FQHC) around increasing primary care providers in anticipation for uninsured/underinsured and newly insured as related to the Affordable Care Act – Charlotte (primary care) and Farmville (OB/ Gyn) Expand primary care offices in Gretna and add a new free standing emergency treatment center. Consider a new free standing ED and expanded primary care offices in the Rte 460/29 corridor (Lynchburg & Campbell counties). Increase access to primary care by establishing a value-based accountable care organization with Virginia Premier, a Medicaid HMO provider. Establish a scholarship program for nurse practitioners and physicians assistants to work as providers in our areas. Prescription Partnership to provide access to free medications* Centra Foundation Mobile Medical Van to provide primary care access to people living in rural areas.* 	Primary Care Provider Rate	28/100K Pop	40/100K Pop

Action Plan Priority # 1: Access to Care (Cont.)

Plan Opportunity	Strategies	Success Measure	CY2013 From	CY2016 To
B. Address adult and childhood obesity	<ul style="list-style-type: none"> • Support the Southside Virginia Family YMCA and their Southside Gets Fit Together through purchasing exercise equipment for the Y Shape Down Program • Corporate Sponsor for the Annual Piedmont Walk at High Bridge State Park and Corporate Sponsor for the Annual High Bridge Half Marathon • Corporate Sponsor for the LEARN program – a 12 week healthy eating/healthy exercise program for adults • Partner with the 6 region-wide elementary schools to establish community gardens at each school to promote healthy eating • Extend the adolescent obesity treatment program to Farmville 	Preschool Childhood Obesity Rate	15%	14%
C. Access to mental healthcare	<ul style="list-style-type: none"> • Provide adult telepsychiatry services to in partnership with Crossroads Community Services to address acute psychiatric illness needs • Integrate behavioral health clinicians in primary care offices to increase access to mental health screening and counseling services • Provide transportation to mental health services from rural communities in partnership with Harvest Connection* 	Suicide Rate	18.9/ 100K Pop	14.3/ 100K Pop
D. Early detection for cancer & heart disease	<ul style="list-style-type: none"> • Heart Health/Heartaware screenings: 4 events throughout primary market area • Cancer screenings: Provide annual patient screenings for: mobile mammograms, indigent care funding, skin cancer screenings; PSA blood screenings, lung cancer screenings for over 400 patients • Free transportation services to Pearson Cancer Center & Bedford County Ride Program*: 2000 patients annually 	All Cancer Death Rates	201/ 100K Pop	189/ 100K Pop



Action Plan Priority # 2: Health Status Improvement

Plan Opportunity	Strategies	Collaborating Partners	Success Measure	CY2013 From	CY2016 To
A. Expand health, education, wellness & prevention services	<ul style="list-style-type: none"> • Establish a new position of Corporate Director, Community Health to coordinate and organize our work around community health status improvement • Provide free lactation clinics to Farmville and Charlotte Counties • Provide subsidized food production for the region's Meals-on-Wheels program (25 meals/day) • Provide free weight scales for the Home Health Weight Loss Program • Provide free food and dry goods to area food banks and shelters to help clothe and feed people in need throughout the greater Southside region* • Provide community barber shops and salons with battery operated blood pressure cuffs for self-administered blood pressure screenings • Reduce domestic violence in the greater Southside community by supporting the Southside Center for Violence Prevention, Inc. (Madeline's House) to support the awareness, marketing materials, case management, service delivery and satellite office for staff.* • Corporate sponsor for the annual Stepping Out Day (anti-violence campaign) and National Night Out (domestic violence awareness) • Corporate sponsor for the annual STEPS Health Fair providing education, wellness, and screening services to adults with physical disabilities • Provide certified diabetic education classes and services for the southside Virginia region 	Piedmont Health District. Gleaning the World Madeline's House Meals-on-Wheels STEPS	County Health Behaviors Ranking (out of 133 VA Counties)	101th	90th

Action Plan Priority # 3: Health Disparities – Access to Prenatal Care

Plan Opportunity	Strategies	Success Measure	CY2013 From	CY2016 To
A. Increase access to prenatal care for the African-American community	<ul style="list-style-type: none"> Expand the evidenced-based program “Community Voice,” which is a lay health educator program to the Southside Region Collaborate with the “Healthy Families Program*” which provides intensive home visitations with new and expectant families which provides health education services and transportation to prenatal appointments Corporate sponsor for Mothers of Preschoolers (MOPS) which is a mothering mentoring program for southside Virginia residents 	Piedmont Health District, Central Virginia Health Center, School System, NAACP, United Way, Congregational Health Network, Presbyterian Homes & Family Alliance	25%	15%

**Denotes financial grant support provided through the Centra Foundation’s Community Health Initiative Fund*

C. Resources

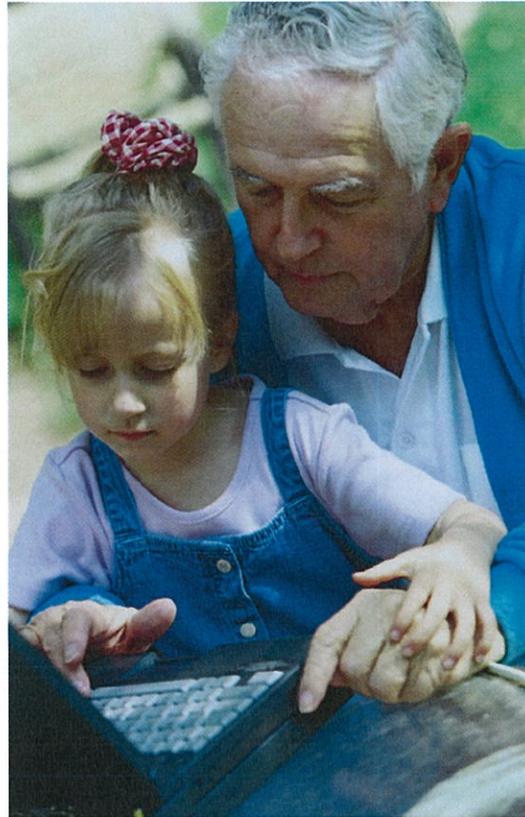
We have identified the following resources needed to successfully implement our action plan priorities under our Community Health pillar: leadership, funding, and technology. With respect to leadership, each of the implementation plan strategies will be assigned an “executive owner” within the Centra executive team, who will provide overall administrative direction, support, and accountability to assure its successful implementation. Furthermore, a new position of Corporate Director of Community Health will be established, who will be primarily responsible for the overall execution of the implementation plan and to oversee the coordination with our collaborating partners throughout all of Centra.

With regard to funding resources, the Centra Foundation has established a Community Health Initiative Fund which is used to support the community health improvement priorities, as established in the CHNA Implementation Plan. In CY 2013, the Centra Foundation awarded 22 grants totaling \$515,488.47 to support community health improvement projects and programs. Those specific foundation-funded programs and services are noted with an asterisk on the CHNA Implementation Plan. In the future, the foundation’s Community Health Initiative Fund will be more closely aligned with the CHNA Implementation Plan priorities. In addition to foundation funding, many of the specific programs and services will be funded by Centra operating funds, primarily through the relevant service line budgets. A good example of this will be our Maternal & Child Health Service Line funding the identified implementation plan strategies noted under the Health Disparities action plan priority. Lastly, other funding opportunities may present themselves in partnership with our collaborating partners in seeking grants and extramural funding for those funding opportunities that are aligned with our CHNA implementation plan priorities.

We also believe technology will be an important resource for us to use in facilitating the successful implementation of our action plans. Centra has obtained a personal health record information



system, called Relay Health, which we hope to make available to the general public, through their primary care provider. This system is designed to help support the improvement of health behaviors by providing convenient tracking of individual health status improvement results, access to relevant health personal information and integration with the health records for their individual primary care provider. We also plan to continue to invest and use the Healthy Communities Institute's database to help us track our progress with respect to the identified indicator success measures. We have made this database available free to use by the public and our collaborating partners. The HCI database can be easily accessed on Centra's website, under the "Wellness" tab. Lastly, we have also invested in a software application, called AchieveIT, which we will use to monitor, track, and report our progress with respect to our Community Health pillar. This system will identify the relevant strategy, current results and timeframes for completion to assist us in monitoring the overall success of our implementation plan.



D. Ongoing Monitoring & Evaluation

The overall responsibility for the assuring the effectiveness of our community health improvement goals rests with the Centra Southside Board of Directors and the Centra Board of Directors. Through a recent board re-organization, a new board committee was formed whose primary purpose is to provide oversight to our various community and population health initiatives. Management will provide periodic reports to this board committee which will enable the board to track and monitor our progress with respect to accomplishing our community health goals and objectives, as reflected in our CHNA Implementation Plan. These progress reports will also be shared with the general public on our website. As noted earlier, Centra has established a new management position, Director of Community Health, whose responsibilities will include preparing these progress reports and to coordinate our work among our various collaborating partners.

In 2012, the Piedmont Health District launched the Piedmont Health Coalition to help create a community action plan to promote community health and wellness. With completion of Centra's Community Health Needs Assessment, an opportunity was presented to consider the alignment of these the efforts of the Piedmont Health Coalition to secure collective health impact which will enable sustainability and greater capacity to confront the identified health needs of our community. This coalition has embarked on a shared agenda to begin the process for developing mutually reinforcing and strategic directions, with key measurement indicators, to address community health status improvement and recommendations for sustainable population health strategies. Centra will be an active participant in this coalition, which we will use to help us further our CHNA Implementation Plan, as well as for the purposes of developing new strategies and collaboration opportunities to improve the health of the community.

Plan Approvals & Dissemination

The Community Health Needs Assessment and its resultant implementation plan will be submitted for final approval to the Centra Southside Board of Directors and Centra Board of Directors on October 30, 2013 and to the Centra Foundation on, November 6, 2013. The CHNA and Implementation Plan will be distributed to all the Centra Southside CHNA Community Health Advisory Board members, as well as posted on Centra Southside Community Hospital's website (both executive summary and full report) for the general public to access and review. The assessment and plan will also be available upon request at Centra Southside Community Hospital. We will also disseminate periodic progress reports, which we will use to document our results and to provide updates to our implementation action plan priorities. We will also report our results and updates to the Collective Health Impact Coalition for the purposes of coordinating our efforts to achieve collective impact.



Appendix A

A. Disease-Specific Indicators	Geographical Regions
1. Death Rate Due to All Cancers	Buckingham, Charlotte, Cumberland, Lunenburg, Nottoway, Prince Edward
2. Morbidity Ranking	Buckingham, Charlotte, Cumberland, Lunenburg, Nottoway, Prince Edward
3. Mortality Ranking	Buckingham, Charlotte, Lunenburg, Prince Edward
4. Premature Death	Buckingham, Charlotte, Lunenburg, Prince Edward
5. Death Rate Due to Diabetes	Lunenburg, Nottoway, Prince Edward
6. Death Rate Due to Heart Disease	Buckingham, Charlotte, Lunenburg, Nottoway, Prince Edward
7. Death Rate Due to Alzheimer’s Disease	Charlotte, Lunenburg
8. Death Rate Due to Accidents	Charlotte, Lunenburg
9. Infant Mortality Rate	Buckingham, Charlotte, Cumberland, Nottoway

Table 11. Disease-specific indicators identified in the Healthy Communities Institute’s database to be of greatest unmet need in the geographical regions named in the second column.

B. Access to Care and Social Environment	Geographical Regions
1. Primary Care Provider Rate	Buckingham, Charlotte, Cumberland, Lunenburg
2. Access to Health Insurance (Clinical Care Ranking)	Buckingham, Charlotte, Cumberland, Lunenburg, Nottoway, Prince Edward
3. Families Living Below Poverty Level	Buckingham, Charlotte, Cumberland, Lunenburg, Nottoway, Prince Edward
4. Violent Crime Rate	Buckingham, Charlotte, Cumberland, Lunenburg, Nottoway
5. Households Without a Vehicle	Charlotte, Cumberland, Lunenburg, Nottoway
6. Households with Public Assistance	Buckingham, Charlotte, Cumberland, Lunenburg, Nottoway, Prince Edward
7. Workers Who Drive Alone to Work	Buckingham, Charlotte, Cumberland, Lunenburg, Nottoway
8. Single-Parent Households	Buckingham, Charlotte, Lunenburg, Prince Edward
9. Mean Travel Time to Work	Buckingham, Charlotte, Lunenburg, Prince Edward

Table 12. Access to care and social environment indicators identified using the Healthy Communities Institute’s database to be of greatest unmet need in the geographical regions named in the second column.

C. Community Health Indicators	Geographical Regions
1. Adults Who Are Obese	Buckingham, Charlotte, Cumberland, Lunenburg, Nottoway, Prince Edward
2. Low-Income Preschool Obesity	Buckingham, Charlotte, Cumberland, Lunenburg, Nottoway, Prince Edward
3. Sexually Transmitted Disease Rate	Buckingham, Charlotte, Cumberland, Lunenburg, Nottoway, Prince Edward
4. Death Rate Due to Suicide	Buckingham, Charlotte, Nottoway
5. Adults Who Smoke	Charlotte, Prince Edward
6. Violent Crime Rate	Charlotte, Cumberland, Lunenburg, Nottoway
7. Households Without a Vehicle	Buckingham, Charlotte, Cumberland, Lunenburg, Nottoway, Prince Edward
8. Child Abuse Rate	Buckingham, Charlotte, Lunenburg, Prince Edward
9. Non-Marital Births	Buckingham, Charlotte, Lunenburg, Prince Edward
10. Teen Pregnancy Rate	Charlotte, Lunenburg, Nottoway, Prince Edward

Table 13. Community health indicators identified using the Healthy Communities Institute’s database to be of greatest unmet need in the geographical regions named in the second column.

Key CHNA Participants and Collaborators:

Centra's Community Health Needs Assessment Steering Committee:

Ted Stryker, Vice President & CHNA Project Lead	Mark Sivdas, Mental Health Services Intake Center
Randall Walton, Director, Pastoral Care	Chance Welfare, Manager Marketing
Chris Giannone, Marketing Specialist	Bill Varner, Vice President, Planning and Marketing
Sabrina Tomlin, Corporate Finance	Ruth Syre, Congregational Health
Matt Johnson, M.D., Vice President	Kathryn Pumphrey, Executive Vice President, Centra Foundation
Carolyn Jacques R.N., Vice President	Thomas Angelo, COO, Centra Southside Community Hospital
Kim Price, R.N., Director, Women & Children's Health	

Centra Southside Community Health Needs Assessment Community Advisory Board:

Bill Bass, CEO, Centra Southside Hospital; Tom Angelo, COO; Centra Southside Hospital; Willie Smith, Pastoral Care Centra Southside; Kerry Mossler, Marketing, Centra Southside; Dennis Brown, Case Mgt/Social Work Centra Southside; Claudia Meinhard, RN, CNO, Centra Southside; Kathi Mannis, RN, Emergency Dpt, Centra Southside; Amber Hucks, Radiology, Centra Southside; Ted Stryker, VP, Centra; Mark Sivdas, Intake, Centra

Samuel Alexander, M.D., Piedmont Health District	Gerry Spates, Farmville Municipal Government
Will Rogers, Crossroads Community Services Board	Sharon Harrup, STEPS, Inc
Rucker Snead, United Way	Barbara Duffer, Charlotte County Govt
David Smith, Prince Edward County Public Schools	Randall Bayshore, M.D., Central Virginia Health Services (FQHC)
Margo Potts, RN, Longwood University	Ed Hearn, Buckingham EMS
Beth Graham, Hampden Sydney College	David Williams, Nottoway EMS
Dr. John Cavan, Southside Community College	Ernest Toney, PRJ Industries
Vellie Dietrich, Lion's Club	Justine Young, Area Agency on Aging
Roma Morris, Prince Edward County Social Services	Dorothy Hodges, Lunenburg Social Services
Sylvia Meadows & Calvin Gray, Farmville Area Ministrial Association	Darryl Hodges, Cumberland Sheriff Dept
Doug Mooney & Andy Ellington, Farmville Police Dept	Patsy Pelland, Smart Beginnings Heartland
Jane Schirmer, YMCA	Susan Adams, Buy Fresh, Buy Local & Deputy County Administrator
Kitty Smith, Hope Community Services	Bruce Davis, PECPS
	Elise Corbin, Central Virginia Regional Library

Report of the Healthy Eating, Active Living Taskforce
to the
Crewe Town Council



Executive Summary

Given the assumption that the economic health of a community is closely tied to the physical health of its citizens, the Crewe Healthy Eating, Active Living (HEAL) Taskforce assembled with the mission of identifying obstacles to providing healthy eating and active living opportunities to residents and visitors, and proposing improvements for long-term healthy lifestyles. Similarly, the Vision of the Taskforce is to create a healthier community more desirable to visit, own or operate a business, and raise a family.

During its first meetings, the Crewe HEAL Taskforce performed a Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis of healthy eating and active living in town. Responses generally fall into several broad categories. Positive attributes of HEAL in Crewe include engaged small businesses, state resources, and small but active organizations offering beneficial services. Vulnerabilities mostly revolve around culture, communication, and education. With these results in mind, the Taskforce set out to address the town's HEAL issues.

Ultimately, the Taskforce selected five main goals, with each having several objectives and strategies for achieving those goals.

The Taskforce concluded that the establishment of a permanent HEAL committee is vital for implementing these goals. Such a group would be charged with overseeing all HEAL efforts in town, organizing outreach and events, and bringing stakeholders together in strategic partnerships. The committee would also recommend ordinance changes that fulfill the HEAL mission.

Finally, regionalization is a key component to improving Crewe's HEAL culture and will undoubtedly help the community socially and economically. Every effort should be made to reach out to neighboring communities to encourage establishment of their own, and ultimately a regional, HEAL effort.

Methodology

Through several monthly meetings, the Crewe Healthy Eating, Active Living Taskforce began its work by performing a Strengths, Weaknesses, Opportunities, and Threats (SWOT) Analysis of the Town of Crewe's healthy living culture (Appendix II). From there, and keeping in mind the variety of community stakeholders (Appendix III), members brainstormed initial concepts and several broad goals emerged. The goals were subdivided into objectives and strategies for achieving those objectives. Finally, each objective was categorized based on two criteria: long term vs short term, and cost vs no cost (Appendix I).

The relationship between community physical and economic health

The economic health of a community is closely tied to the physical health of its citizens. When evaluating the best places to work,¹ live,² and raise a family,³ leading business magazines include cultural and recreational opportunity metrics in their methodology.

Cultural and economic factors have led to a decline in healthy lifestyles for decades.⁴ Access to choice and variety in goods and services is limited by the principles of supply and demand. Consumers often opt for convenience and proximity, whereas local businesses offer cheaper products. Currently, only those with the ability and desire to travel to larger markets can readily employ the healthiest lifestyles. This is especially problematic for economic growth in rural communities. According to the Virginia Behavioral Risk Factor Surveillance System, diabetes prevalence in the Piedmont Health District, where the Town of Crewe is located, is at 10.3%, well above the 7.7% state average. Lack of healthy food options and sedentary lifestyles have no doubt contributed to this health epidemic. With these factors in mind, the Crewe Town Council partnered with the Institute for Public Health Innovation began work on a Healthy Eating, Active Living (HEAL) initiative.

Institute for Public Health Innovation

Crewe's partnership with the Institute for Public Health Innovation (IPHi) began at a Virginia Municipal League conference. There, Town leadership explored IPHi's HEAL initiative, a successful endeavor in California and Maryland with new framework for Virginia. The goal of IHPi, through HEAL, is to develop, support, implement, and evaluate creative strategies to improve the public's health. They work with local government to establish policies that promote health, reduce chronic disease, and build community capacity to sustain progress. Specifically, the HEAL initiative is designed to and towns stem the obesity epidemic by leveraging policy as a driver of environmental change. Increasingly, policymakers, advocates,

¹ Badenhause, 2012

² Mullins, 2009

³ Smith, 2013

⁴ King, 2009

and health care providers are recognizing that obesity is neither caused by, nor can be prevented by, individual actions alone.⁵

After establishing a partnership with IPHi HEAL representatives, Council passed a resolution on January 14, 2013, becoming Virginia's first HEAL community. With this action, Crewe formed a Healthy Eating, Active Living Taskforce comprised of various community stakeholders, leaders, and engaged citizens to identify the vulnerabilities Crewe faces in providing healthy options to residents, and creating common sense solutions to address those issues. Specifically, the mission of the HEAL Taskforce is to identify obstacles to providing healthy eating and active living opportunities to residents and visitors, and proposing improvements for long-term healthy lifestyles. The Vision of the Taskforce is to create a healthier community more desirable to visit, own or operate a business, and raise a family. During its first meetings, the Crewe HEAL Taskforce performed a Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis of healthy eating and active living in town. While full results can be found in Appendix II, responses generally fall into several broad categories: Positive attributes of HEAL in Crewe include engaged small businesses, state resources, and small but active organizations offering beneficial services. Vulnerabilities mostly revolve around culture, communication, and education. With these results in mind, the Taskforce set out to address the town's HEAL issues.

Stakeholders

Before establishing goals and objectives, the Taskforce had to first identify stakeholders: what individuals or groups in or around Crewe would be impacted by—or could aid in—the HEAL efforts? Residents of the Town are foremost among the stakeholders. Many of Crewe's population are older, and most are grounded by strong community ties and lineage. There are some families, and a significant number of military members and families. In order to ensure future prosperity, Crewe must appeal to new, younger families, especially those who seek a healthy, small town environment easily accessible to surrounding areas.

In addition to the spattering of local business, many residents seek employment at state facilities including Piedmont Geriatric Hospital, Nottoway Correctional Center, and Ft. Pickett. Others travel to the Richmond metro area for work, while still others work for the school system, railroad, and Southside Electric. To sustain and promote economic development, the Town must expand local business, to include agri-business. Additionally, the prospect of the Foreign Affairs Security Training Center (FASTC) in Ft. Pickett would increase economic development dramatically. Businesses in Crewe tend to be long-established, by well-known members of the community. When expanding, Crewe must maintain the well-known qualities, while tapping into other industries like tourism and agri-business.

⁵ *Institute for public health innovation.* (2013). Retrieved from <http://institutephi.org/>

Faith-based and community organizations also play a vital role in Crewe. Though they are almost universally decreasing in membership and volunteerism, the organizations themselves have strong community ties and active involvement. In order to maintain these valuable community resources, they must work together to continue community involvement, and expand their membership base.

Because Crewe is one of the only areas within Virginia where US 460 drops to 35mph, visitors to the community are often those travelling along the highway. Most stop for food and gas before continuing their trip. In the future, the Town must take better advantage of these visitors, and also make Crewe a destination. With the railroad and music history, nearby I-360, and local Civil War sites, the possibilities for tourism are limitless.

Regionally, Nottoway and surrounding counties are economically depressed with economies heavily dependent on state resources. Through communication and community collaboration, future self-sustainability is possible through tourism, marketing, and expansion of small businesses.

Goals and Objectives

In order to highlight the strengths and opportunities Crewe possesses for HEAL efforts, and to help overcome the vulnerabilities posed by the weaknesses and threats, the HEAL Taskforce established four primary goals: strengthen communication, engage citizens, and increase opportunity for healthy eating and active living.

Goal 1: Strengthen Town/Community/Citizen communication on HEAL efforts

Better inform citizens of available opportunities

While many HEAL opportunities already exist within Crewe and Nottoway County, many residents don't know or fully understand the available options. In order to better communicate with stakeholders, Crewe must utilize both traditional and social media platforms for promoting events and opportunities available, and informing and educating citizens and businesses alike. Specific strategies to achieve this end include better utilization of the Town website, Facebook, and YouTube pages. The Town should establish a central repository for HEAL information, and online calendar for events, and a HEAL Facebook page for easier outreach. Additionally, an email distribution list for interested residents should be established to keep individuals informed and engaged.

Understanding that not every resident owns or has access to a computer, traditional media should be utilized as well. Direct mail, town bulletin board, and utilizing space on the monthly water bills would allow officials to reach virtually every Crewe resident. Finally, local newspapers, radio stations, church bulletins, and schools are excellent ways of further reaching citizens.

Crewe's diverse populace requires an all-encompassing approach to communicating with constituents. While word-of-mouth and radio advertisements may be the most efficient form of communication for many, others—especially those who work outside of town—obtain their news and information through email and social media. The role of leadership is not to determine the best method of communication, but rather to communicate through as many methods deemed necessary and efficient.

Better inform new, existing, and prospective businesses of HEAL efforts

In order to engage private sector partners in HEAL efforts, Crewe must work to better inform new, existing, and prospective businesses of the opportunities available and the advantages of utilizing those resources. A healthier workforce means lower healthcare costs and a more desirable work environment. Any marketing approach to attracting new and expanding existing businesses should have information on the HEAL opportunities in the area.

Specifically, the Crewe area has several primary care physicians and dental offices. Nearby Blackstone and Farmville both increase those numbers, and include optometrists and Regional hospital. These resources, often not seen in some rural communities, should be highlighted in marketing material. A health assessment of Crewe should be performed and compared regionally. The Virginia Department of Health is an excellent resource for this endeavor.

Partner with faith-based and community organizations to reach community

Faith-based and community organizations are an excellent, often untapped resource for community building. While outreach generally extends to traditional media and informal person-to-person conversation, the value of these organizations cannot be overstated. FBCO's are trusted, well-established groups within town seeking the same end result: a better community. Through FBCO's we can find enthusiastic volunteers, effective methods of communication through church bulletins, and existing grassroots HEAL initiatives. By partnering with the FBCO's through the Town's pastoral association, we can tap into these resources and strengthen our efforts.

Establish regional outreach

Improving Crewe's HEAL culture will undoubtedly help the community socially and economically. But Crewe does not operate in a bubble. Regionalized efforts are critical to fully realize the economic potential of a healthier lifestyle.

The first step for regional outreach efforts is to identify and establish contact with motivated government and community leaders in the surrounding localities. By introducing them to the HEAL efforts and explaining the benefits, they can institute their own internal initiatives. Additionally, involving the Nottoway school system in regional efforts provides active volunteer resources and targets the most vulnerable demographic: students.

Goal 2: Engage citizens and organizations

Create a volunteer database of individuals and faith based and community organizations who want to participate in HEAL efforts

Citizen participation in any activity is critical to good government. Apathy and complacency in the status quo is a warning sign of a failing community. To combat this, Town leadership must take a proactive role in engaging volunteers.

Apathy should not be confused with busy schedules. Many residents work and raise families, giving them little time to participate in community activities. Efforts to alter their routine are frequently unsuccessful. While outreach to these individuals is important, efforts should not die with their refusal. Instead, equal efforts should be made to reach more engageable demographics. For example, Crewe has a significant number of elderly and retired but capable residents. Additionally, those residents often command a deep respect from families and neighbors. By engaging them in HEAL efforts and other activities, the town will have access to a wealth of institutional knowledge and manpower.

To most efficiently contact and engage these individuals, initial efforts should be focused on finding at least 3 enthusiastic volunteers to lead coordination. Additionally, AARP has an initiative, createthegood.com, aimed at establishing community databases of local volunteers.

Expand partnerships with existing organizations to promote HEAL efforts

Several organizations already engage and educate citizens on HEAL initiatives. For example, the Crewe-Burkeville Recreation Association does outstanding work organizing youth league sports. Southside Youth Projects engage children and adolescents in emotionally healthy activities. Virginia Cooperative Extension and the library's Health Information and Advocacy program both provide valuable information on living full, healthy lifestyles. By expanding these and other partnerships, Crewe will bring to the table additional opportunity from organizations with an already established audience, bringing legitimacy to the HEAL efforts.

Develop town-wide competitions that emphasize HEAL initiatives

Town-wide competitions are a fun way of engaging citizens in healthy lifestyles. Ideas for such competitions include walking contests, themed walks (dog walks, for example), 30-day challenges, and a dance-a-thon. It should be noted, however, that these challenges should be as inclusive as possible in order to gain the most participation. For example, a "first to walk X amount of time" works better for these efforts than a traditional race, as the latter can be daunting and seen as unwinnable for some residents. Additionally, efforts should be made to partner with various organizations outside of the traditional HEAL groups. The SPCA and local veterinarians, for instance, would make great partners for a dog-themed walk.

Provide HEAL education opportunities for citizens

Culture is most efficiently changed through education. Healthy eating and active living are often mistakenly seen as unaffordable or time-consuming. To many mistaken citizens, the cost of available opportunities outweighs any potential benefit. Fortunately, many efforts already exist to properly educate the community on the ease and convenience of healthy living, and additional opportunities can be fun and engaging. For example, the Virginia Cooperative Extension provides, among other things, healthy cooking and first-aid classes. Efforts should be made to establish demographic-based activities as well: exercise and water aerobics classes for seniors, for instance.

Additionally, a county-wide health fair would provide a good foundation for educating citizens. Further outreach can be accomplished through social media, phone trees, and email lists. Ultimately, gauging the interests of citizens, creative thinking, and program evaluation will provide unlimited opportunities for engaging residents.

Goal 3: Increase opportunity for healthy eating

Address ordinances problematic to the HEAL initiative

Economic constraints and conservative vision have limited the healthy opportunities available to citizens. Ordinances created independent of each other served a set purpose at the time of their adoption, but may be outdated when holistically evaluating their necessity. Ordinances that prohibit actions should only be created and enforced if they pose a significant risk to public safety, economic development, or quality of life. Specifically, government should not limit the ability of individuals to grow and supply their own healthy food. Regulations regarding honey bees, chickens, and other food producers should be used sparingly. Prohibitions on the rights of property owners on these and other potential issues should only occur in extreme circumstances; cost of enforcement of regulations should never be a factor in prohibition considerations.

Work with local businesses to provide healthy eating opportunities

Businesses should be encouraged to provide healthy eating options. Currently fast food and fried and buttery dishes dominate the town's eateries. The establishment's right to sell the products of their choosing and the consumer's right to decide what and of what quantity to eat notwithstanding, those who choose healthier lifestyles have little variety. Through partnership with the Chamber of Commerce, the Town should first determine any specific deficiencies in available options and the demand for such products.

Additionally, buy fresh/buy local marketing not only helps small business, but also provides low-cost, healthy alternatives to their preservative-filled counterparts of unknown origin. Businesses should be incentivized to cater to these and other HEAL efforts. Likewise, those that currently utilize healthy and local options should be recognized in town literature and other methods for their efforts.

In terms of educating and informing citizens of healthy eating in town, local eateries should be encouraged to establish healthy menus and post calorie content of existing items. For example, stickers for locally produced or otherwise healthy options would make for an ideal addition to any menu. Leadership should also connect small business with groups and organizations that determine calorie content of menu items. This and other tools aimed at educating local small business on healthy eating options can have a significant impact for both the producer and consumer.

Gauge the interest or indoor farmer's markets, community gardens, container gardens, and other similar concepts

With the increased interest in sustainable living, farmer's markets, community gardens, container gardens, and other similar concepts are growing in popularity among communities. One or multiple of these may be beneficial to Crewe, but work needs to be done to determine viability. A workgroup of interested citizens should be formed to determine the pros and cons of each idea. From there, an ideal central location with substantial citizen and business buy-in would be required. If performed correctly, through proper education and forming a solid foundation, the work and effort—while significant—can yield substantial results for the community.

Goal 4: Increase opportunity for active living

Improve infrastructure issues impeding active living

When evaluating opportunity for active living, Crewe must begin by evaluating infrastructural impediments. It is no secret that many of the Town's sidewalks are in poor condition. While repairing them is a lengthy, expensive project, it is nevertheless important to an active quality of life. A "nuclear option" in this regard is to work with civil engineers and evaluate the necessity of existing sidewalk. For example, a secondary road with a sidewalk on either side may only need 1 for adequate foot traffic. Ultimately, a goal of the Town should be to establish a single walking and biking route safely connecting the east and west sides of town.

Railroad Park is a key asset for active living. Many residents utilize the walking path and sport facilities available. Unfortunately, crossing 460 can be dangerous. Leadership should evaluate logistics of creating a crosswalk connecting the park with the rest of the Town.

Increase the availability and use of outdoor facilities

Among the benefits of living in a rural community is the access to outdoor space. In addition to Railroad Park as mentioned above, Crewe has a variety of central locations for physical activity. The library, for example, hosts an attractive, flat green area and playground that can be used for recreation. This, and other similar facilities, should be promoted and more widely utilized.

Improvements can be made to existing facilities. For example, plans are underway for an informational board to be added to Railroad Park. In addition to information on the park and community events, a section will be dedicated to physical activities residents can perform in the park. Signage and inexpensive equipment can be added around the walking path to encourage additional exercises, like pushups and pull-ups.

Finally, Crewe should look at establishing basketball and tennis courts within town. Many citizens enjoy both of these activities. By providing the opportunity for these public facilities, Crewe will engage otherwise sedentary individuals.

Explore new recreational opportunities

While many organized recreational activities already exist, the possibility for additional opportunity is endless. Interest in new youth sports should be gauged regularly. Current adult leagues can be regionalized, creating more active county-wide leagues. Seniors can also join the activity through senior leagues. Ultimately, such evaluation and organization will need to be housed under a new or existing entity. Crewe may want to work with the Crewe-Burkeville Recreation Association to expand their mission, creating the Crewe-Burkeville Recreation Association or assist in establishing a separate similar organization.

Goal 5: Provide healthy eating and active living opportunities to our growing local workforce

Seek partnerships with local businesses, state agencies

Local businesses like Southside Electric Cooperative and Norfolk-Southern, and state agencies—namely Nottoway Correctional Center, Piedmont Geriatric, and the Virginia Center for Behavioral Rehabilitation—provide employment for a significant number of Crewe citizens. The Town should work with these entities in establishing partnerships for achieving HEAL goals. Additionally, local government employers—specifically the town and school system—provide invaluable resources.

Partner with Ft. Pickett to provide HEAL opportunities to military members and their families

In addition to the other state assets, nearby Ft. Pickett brings many temporary and permanent residents to the Crewe area. It is the responsibility of the Town to provide the most ideal living conditions for the men and women of our military and their families. By partnering with leadership at Ft. Pickett to discuss ways to increase the quality of life for their personnel, the Town will not only be assisting this critical asset, but also making Crewe a more welcoming and desirable place to live.

Next Steps

As evidenced by this report, the Town of Crewe has much work to do in improving the healthy eating and active living opportunities available to citizens. The first step in accomplishing these and future goals is to establish a permanent committee for implementing these goals. Such a group would be charged with overseeing all HEAL efforts in town, organizing outreach and events, and bringing stakeholders together in strategic partnerships. The committee would also recommend ordinance changes that fulfill the HEAL mission.

As mentioned earlier, regionalization is a key component to improving Crewe's HEAL culture and will undoubtedly help the community socially and economically. Every effort should be made to reach out to neighboring communities to encourage establishment of their own, and ultimately a regional, HEAL effort.

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Appendix I

Goal 1: Strengthen Town/Community/Citizen communication on HEAL efforts

Objective 1: Better inform citizens of available opportunities

Strategies:

- Utilize Town website, YouTube page, and social media to promote HEAL-related events **(short term, no cost)**
 - Establish a central repository for information
 - Develop an online Town calendar for the Town website
 - Develop a HEAL Facebook page to link to website and Town Facebook
- Organize a Town email list **(short term, no cost)**
- Utilize traditional communications **(short term, cost)**
 - Direct mail
 - Space on water bill
 - Town bulletin board
- Establish a resource repository **(short term, no cost)**

Objective 2: Better inform new, existing, and prospective businesses of HEAL efforts

Strategies:

- Include healthy eating/active living in marketing approaches **(long term, cost)**
- Highlight number of doctors and healthcare facilities in the region **(short term, no cost)**
 - Southside Hospital performed a regional assessment—may be valuable resource
 - Reach out to VDH for information
 - Compare information regionally

Objective 3: Partner with local media

Strategies

- Radio **(short term, cost)**
- Newspaper **(short term, cost)**
- Church bulletins **(short term, no cost)**
- Schools **(long term, no cost)**

Objective 4: Partner with faith-based and community organizations to reach community

Strategies:

- Gather information from FBCO's on HEAL projects, initiatives, and events **(short term, no cost)**

- Establish a central repository for information
- Appoint at least 3 enthusiastic volunteers to manage information
- Partner with the pastoral association

Objective 5: Establish regional outreach

Strategies:

- Identify and contact government leaders and interested and engaged residents from surrounding localities **(long term, no cost)**
- Involve school system **(long term, no cost)**

Goal 2: Engage citizens and organizations

Objective 1: Create a volunteer database of individuals and faith based and community organizations who want to participate in HEAL efforts

Strategies:

- Appoint at least 3 enthusiastic volunteers to manage information **(long term, no cost)**
- Explore AARP's createthegood.com program as a possible starting point **(long term, no cost)**
 - Include different kinds of interests and special requirements (age, education, etc)

Objective 2: Expand partnerships with FBCO's and other organizations to promote HEAL efforts

Strategies:

- Partner with Rec Association to gauge interest in new youth and adult league sports **(long term, no cost)**
- Promote the efforts of the VA Cooperative Extension **(short term, no cost)**
- Promote the efforts of the Library's Health Information and Advocacy (funded by Tobacco Commission and run by Massey Cancer Center) **(short term, no cost)**

Objective 3: Develop town-wide competitions that emphasize HEAL initiatives

Strategies:

- First to walk X time
- Team efforts
- Themed walks
 - Dog walk (partner with SPCA and veterinarians)
- 30-day challenges

- Dance-a-thon

Objective 4: Provide HEAL education opportunities for citizens

Strategies:

- Partner with VA Cooperative Extension **(short term, no cost)**
 - Healthy cooking classes
 - First-aid classes
- Demographic-based classes **(long term, cost)**
 - Exercise classes for seniors
 - Water aerobics
- County-wide health fair **(long term, cost)**
- Utilize social media and other outreach tools **(short term, no cost)**
 - Phone tree and email list
- Each class should end with an evaluation form to gauge the interests of future classes **(short term, no cost)**

Goal 3: Increase opportunity for healthy eating

Objective 1: Address ordinances problematic to the HEAL initiative

Strategies:

- Form new and alter old policy
 - Revise the chicken ordinance
 - Look into bee keeping ordinances

Objective 2: Work with local businesses to provide healthy eating opportunities

Strategies:

- Partner with Chamber of Commerce to explore opportunities **(short term, no cost)**
 - Identify healthy needs and wants of citizens not already provided
- Buy fresh, buy local marketing **(long term, cost)**
 - Explore grant opportunities
- Provide incentives for businesses that cater to HEAL **(long term, cost)**
- Reward businesses currently providing healthy options **(long term, cost)**
 - Highlight businesses in Town literature
- Work with local businesses to establish healthy menus and post calorie content **(long term, cost)**
 - Menu sticker for locally produced items
 - Menu sticker for healthy options

- Look into groups that determine calorie content
- Educate eateries on fresh, local produce and healthy options (**long term, no cost**)

Objective 3: Gauge the interest or indoor farmer's markets, community gardens, container gardens, and other similar concepts (**long term, cost**)

Strategies:

- Determine pros and cons of each
- Create a focus group of interested individuals
- Work with local property owners to find an ideal central location
 - An ideal location includes visibility from the highway
- Research grant funding for related industry
- Promote as a small business incubator as well
- Gain buy-in from existing businesses

Goal 4: Increase opportunity for active living

Objective 1: Improve infrastructure issues impeding active living

Strategies:

- Repair sidewalks (**long term, cost**)
 - Work with civil engineers to evaluate the amount of sidewalk and possibly eliminate unnecessary (e.g. one side of the road instead of 2)
 - Work with VDOT to improve VDOT-maintained sidewalks
- Create a single walking/biking route attaching the east and west sides of town (**long term, cost**)
- Keep park open after dark—increase lighting (**long term, cost**)
- Create a crosswalk across 460 to connect the park to the town (**long term, cost**)

Objective 2: Increase the availability of outdoor facilities

Strategies:

- Gauge the interest in new youth sports (**long term, no cost**)
- Build a caged basketball court for resident use (**long term, cost**)
- Increase recreational activity at the library (**long term, no cost**)
- Add signage and equipment for additional exercise at the park (**long term, cost**)

Objective 3: Identify and inform of current recreational opportunities available

Strategies:

- Regionalize adult league efforts, creating county-wide leagues (**long term, cost**)
- Create senior leagues (**long term, cost**)
- Work with CBYRA to expand mission, creating CBRA (**long term, no cost**)

Appendix II

SWOT Analysis Results

Strengths/Opportunities

- Healthy Eating
 - AJ Produce
 - Library system
 - Yoder's market
 - Garden club
 - Educational resources through Virginia Cooperative Extension
 - Food pantries

- Active Living
 - Hagberg Park
 - Shag club
 - Community Center
 - Golf course
 - Virginia Crossroads concerts
 - Railroad museum
 - Library system
 - Garden club
 - Youth rec association
 - Educational resources through Virginia Cooperative Extension
 - Local gym

- Healthcare
 - Number of doctors/health professionals
 - Centra Southside Community Hospital

- Other
 - DOC labor
 - WSVS
 - Hispanic community
 - Electric Coop
 - Faith communities
 - Tobacco footprint

Weaknesses/Threats

- Healthy Eating
 - No central grocery store
 - Culture (fried foods, unhealthy lifestyles)
 - Passive, hesitant residents

- Lack of “healthy” eatery options
- Active Living
 - Culture (fried foods, unhealthy lifestyles)
 - No adult programs with rec association
 - Passive, hesitant residents
- Healthcare
 - Percent of residents with medical insurance
- Other
 - Lack of communication between town and citizens
 - Education level of citizens
 - Lack of transportation
 - Lack of industry and business
 - Water quality

Initial Concepts

- Need to budget funds for HEAL effort
- Community gardens
- Maps with healthy locales
- Buy fresh, buy local marketing
- Highlight businesses that use local produce
- Partner with Norfolk-Southern
- Involve military families in town
- Issues with HEAL in school system

Appendix III

Stakeholders

- Residents
 - Current: Many are older, grounded by strong community ties and lineage; some families. Significant military presence.
 - Future: Younger, families; drawn in by healthy small-town environment that is easily accessible to other areas
- Employees
 - Current: some local, many at Piedmont, Nottoway CC, and Ft. Pickett; few travel to Richmond and other areas; small business; school system; railroad; Southside Electric
 - Future: Local business and healthy industry—including agribusiness—Ft. Pickett, FASTC facility, state assets
- Business Owners
 - Current: Long-established businesses, well-known members of the community
 - Future: Maintain the “well-known” aspect of business owners, increased focus on tourism and agriculture
- Faith-Based and Community Organizations/non-profits
 - Current: Decreasing in numbers, strong community ties and active involvement; decreasing volunteerism
 - Future: Continued involvement, growth in numbers
- Visitors
 - Current: Mostly travelers along 460
 - Future: Tourists for railroad and music history; include 360 travelers; take advantage of the local Civil War sites
- Region
 - Current: Economically depressed, heavily dependent on state resources
 - Future: Sustained through tourism and business
- Commonwealth
 - Area state resources include Nottoway Correctional Center, VCBR, Piedmont Geriatric, Ft. Pickett, and the Virginia Tech research center, Virginia Cooperative Extension
 - The local school system provides opportunity for collaboration

LUNENBURG-STEPS

NEEDS ASSESSMENT REPORT

Prepared by:
Commonwealth Regional Council
January 2012

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Exhibits

- Exhibit 1 (Lunenburg County Residents Survey Form)
- Exhibit 2 (Survey of Potential Beneficiaries Survey Form)
- Exhibit 3 (Lunenburg County and Region Survey Form)
- Exhibit 4 (Survey Cover Letter)

Board of Supervisors

District 1: *Plymouth* - T. Wayne Hoover, Chairman

District 2: *Brown's Store* - David E. Wingold, Sr.

District 3: *Beaver Creek* - Dr. Frank W. Bacon

District 4: *Rehoboth* - Charles R. Slayton

District 5: *Love's Mill* - Edward W. Pennington, Vice Chairman

District 6: *Hound's Creek* - Alvester L. Edmonds

District 7: *Meherrin River* - Robert G. Zava

MANAGEMENT TEAM ROSTER

NAME	AFFILIATION	FUNCTION
Tracy Gee	Lunenburg Co. County Administrator	Oversees Entire Project & Signs Key Documents
Beverly Hawthorne	Lunenburg Co. Director of Economic Dev.	Manages Project & Assoc. Documents
James Tuck	Lunenburg Co. Building Official	Review Project Plans & Specs
Charles Berkley	Lunenburg Co. Schools	Assist with Statistics & Data info
Delphia Ewen	Citizen/Sparkplug	Community Info
Carol Watson	Mayor, Victoria	Community Info
Donnie Neblett	Town Manager, Kenbridge	Informational
Sharon Harrup	CEO, STEPS	Oversees Design & Construction
Nancy Conner	STEPS	Facility/Space Allocation Rep.
Ryan Follett	STEPS	LMI/Survey/Data &Statistic Rep.
Tess Bacon	STEPS Board/Local Attorney	Provide legal advice on matters regarding the project
Dennis Smith	Southside Virginia Community College	Assist with Statistics & Data info
Larry Hasson Jr./ Dodie Hudson	Project Engineer	Prepare PER, Cost Estimates for Project
Stan Ragland & Talmadge Harris	Virginia Employment Commission	Assist with Statistics & Data info
Louise Brierre	DHCD	Community Representative
André Gilliam	CRC	Grant Administrator

A. INTRODUCTION

On October 5, 2010, Lunenburg County requested that the Department of Housing and Community Development (DHCD) consider the Southside Training, Employment and Placement Services (STEPS) Manufacturing Facility for a Planning Grant and a future Community Improvement Grant (CIG). STEPS mission is to provide employment opportunities and related services to individuals with diverse abilities in the community. Currently their sewing operation is housed in a 16,500sf 1960's vintage building located in the Town of Victoria, Lunenburg, Virginia. The facility serves a 120 person workforce that is presently making 100,000 military shirts per year. STEPS has been offered additional contracts but had to turn them down due to the lack of space for additional workers and equipment. Recently STEPS had approximately 150 applicants and referrals that were waiting for an opening. Management finds it frustrating to miss opportunities for additional work, because more diverse ability workers could be employed. Since the existing facility cannot accommodate any growth, STEPS is conducting a Preliminary Architect and Engineering Report to study some options. Any option that improves on the existing facility will be beneficial to the operation. Once completed, STEPS feels it can create a job for 30 to 45 diverse ability workers immediately.

B. PURPOSE

This Needs Assessment Report is designed to obtain a sample of the needs in Lunenburg County, the Victoria STEPS Manufacturing Facility, and the potential workers from the surrounding counties. These needs include housing, utilities, transportation and other items that the citizens determine are important concerns. This assessment will help Lunenburg County officials target key areas to focus on when using limited resources. It will also serve as a tool for obtaining financial assistance when applying for Community Development Block Grants (CDBG). In addition, this assessment will identify the need for STEPS Inc. and their potential for hiring more employees. Management has been desperately seeking ways to expand their production space so they can hire more diverse workers, and obtain more contracts. Not only will this assessment assist Lunenburg County when setting priorities and planning activities, it can help get support from state and federal government programs. This needs assessment is important to the Department of Housing and Community Development (DHCD), because it may reveal serious issues in the County or STEPS that they can assist with through one of their programs.

C. ACKNOWLEDGEMENT

The Commonwealth Regional Council (CRC) would like to commend the Lunenburg County Board of Supervisors, Lunenburg County Administration, Lunenburg County Public Schools, Southside Training Employment and Placement Services (STEPS), Virginia Employment Commission (VEC), Southside Virginia Community College (SVCC), Lunenburg-STEPS Management Team, and the Lunenburg Community for their assistance in the development of this report. Their involvement was invaluable in obtaining information for this assessment. On behalf of this project, the CRC thanks all for their efforts.

D. SURVEY METHOD

This methodology is divided into three sections. The first addresses the Lunenburg County citizen needs, the second identifies the current needs at STEPS Inc., and the third views the regional significance of a facility like STEPS. The Management Team modified a sample model survey form provided by the Department of Housing and Community Development (DHCD) to suit the Needs Assessment.

I. Once created, approximately 700 of the “*Lunenburg County Resident Surveys*” (See Exhibit 1) were distributed to the citizens via the Lunenburg County Elementary Schools. The County advertised in The Kenbridge-Victoria Dispatch for parents to look for surveys from the school children during the process. The Lunenburg County Public School allowed 700 surveys to be distributed through the two elementary schools. The elementary students carried a copy of the *Lunenburg County Residents Survey* home with a cover letter for their parents. The cover letter (See Exhibit 4) instructed the parents on how to return the survey forms. The surveys were collected at the PTA meeting by Management Team Representatives on October 24, 2011; they were also provided the county’s address for mailing or dropping off the completed survey forms. All surveys distributed by the school were to be returned by October 28, 2011. An extra incentive for returning the surveys was implemented with these surveys. Three (3) \$25 gift certificates were given in a random drawing of the returned surveys. Of the 700 surveys given to the elementary school children, 190 were returned and tallied by the SVCC Business Department.

II. STEPS Inc. conducted the “*Survey of Potential Beneficiaries*” (See Exhibit 2) between October and November 2011. The STEPS’ staff gave the employees the survey to take home and fill out. Some employees filled out the form with the assistance of STEPS staff due to the need for clarification. Approximately 120 surveys were made available to the employees and 91 of those were completed and returned for tallying by the staff of STEPS.

III. The Virginia Employment Commission (VEC) assisted with the “*Lunenburg County and Regional Survey*” (See Exhibit 3). This survey was designed to get the interest of individuals desiring a facility like STEPS in the region, as well as a place to potentially work. VEC employees presented the survey to citizens at the Farmville and South Hill offices between October and November 2011. Citizens were told that the surveys were to be filled out on a volunteer basis and it had no impact on their visitation that day. A total of 46 surveys were tallied by the VEC, 27 at the Farmville location and 19 at the South Hill location.

Once the three Surveys were tallied, the tally sheets were given to the Commonwealth Regional Council (CRC) Staff for evaluation and included in this Needs Assessment Report. Original Surveys are being kept by Lunenburg County (*Lunenburg County Residents Survey & Survey of Potential Beneficiaries*) and the VEC (*Lunenburg County and Regional Survey*).

E. DATA COLLECTION

The Lunenburg-STEPs Management Team used three survey instruments (see Exhibits 1-3) to collect data for this Needs Assessment Report. The Lunenburg-STEPs Management Team collected data using a combination of the following methods:

1. Distributed surveys to County Residents via Lunenburg County Elementary Schools.
2. Distributed surveys to the workers at STEPS.
3. Distributed surveys to potential workers from surrounding counties via the VEC.
4. Solicited comments from members of the public, through public meetings, employment office, notices in local newspapers, Team meetings, etc.
5. Acquired demographic data and other information on the citizens of Lunenburg County from the US Census Bureau, the Workforce Investment Board, the Department of Rehabilitative Services, and the Virginia Employment Commission.

Southside Virginia Community College (SVCC) business students tallied the *Lunenburg County Residents Surveys*, STEPS staff tallied the *Survey of Potential Beneficiaries*, and the Virginia Employment Commission (VEC) staff tallied the *Lunenburg County and Regional Surveys*.

F. ANALYSIS OF THE SURVEYS

An analysis of the survey results regarding the three instruments used in the Needs Assessment process is prepared for a detailed evaluation. The process began with the *Lunenburg County Residents Survey* (See Exhibit 1) followed by the *Survey of Potential Beneficiaries* (See Exhibit 2) and ending with the *Lunenburg County and Regional Survey* (See Exhibit 3).

I. Lunenburg County Residents Survey (Lunenburg Community)

According to the 2010 census the population of Lunenburg County is 12,914 people. There are 7,730 (59.8%) White Americans; there are 4,451(34.5%) African Americans; and there are 733(5.7%) other Races in the County. Regarding ethnicity, of the total population 470 (3.6%) are consider Hispanic or Latino. The 2010 census shows a close relationship to the Lunenburg County Community Survey regarding household makeup by race. There were 65% White American households, 32% Black/African American households, and 3% other race households that answered this survey. From the middle of October to the end of November 2011, Lunenburg County conducted a sample survey (See Exhibit 1) of its citizens. One Hundred Ninety (190) survey forms were returned for processing, and the tallied results help make up an essential part of this Needs Assessment Report.

Low-to-Moderate Income (LMI) Determination

Total annual household income is defined as income all household members over age 17 received from all sources, such as wages, salaries, interest income, investment income, social security, public assistance, or other sources. This survey resulted in 101 households being LMI, and 89 households being Non-LMI.

2011 LMI Income Limits	
Lunenburg County	Annual Income
1 person household	\$29,050
2 person household	\$33,200
3 person household	\$37,350
4 person household	\$41,500
5 person household	\$44,850
6 person household	\$48,150
7 person household	\$51,500
8 person household	\$54,800

DHCD has Lunenburg County listed as a distressed locality therefore qualifying them for CDBG assistance at 51% LMI. Base on the survey results the County citizens' LMI rate is 53%, thereby giving them a slightly higher qualifying score.

Of the 190 households surveyed 52% owned their home, and 48% were renting.



The citizens of Lunenburg reported the status of their water, sewer, streets, drainage, and transportation which are listed below:

	<u>Reported no Problem</u>	<u>Reported a Problem</u>
➤ Water problems	163 households	15 households
➤ Sewer problems	173 households	3 households
➤ Street problems	156 households	19 households
➤ Drainage problems	165 households	11 households
➤ Transportation problems	159 households	13 households

Although there were a few problems noted, a fair amount of comments were received describing some essential issues that the citizens did experience. Of the comments received, the **four (4) households reported not having a house equipped with a commode, sink and tub/shower was the most crucial.**

Consequently, there are several households interested in having their house provided with *water (11), sewer/septic (9), and bathroom (7)*, if not already available:



Some statistics on the general makeup of the number of households surveyed can be seen below:

List the number of households with elderly (62 or older) persons residing in them. **12**

List the number of households with someone that has a physical disability living in it. **40**

List the number of female-headed households surveyed. **72**

Of the families surveyed **172** reported having children under the age of 17 living in the household.

When asked if the household would participate in a rehab program if loan funds were made available, **81** said they would.

Residents Survey Summary

Several issues were noted in the Lunenburg County Community Surveying efforts, however, the need for indoor plumbing in some homes appear to be the most critical. The citizens of Lunenburg appear to have very few problems with their water, sewer, streets, drainage, and transportation. The Department of Housing and Community Development (DHCD) has programs that Lunenburg County can apply for to assist them with household issues. DHCD's Indoor Plumbing Rehabilitation (IPR) program may be a good solution to those household requiring bathrooms or indoor plumbing. With 48 percent renting their dwellings, many could qualify for the home ownership program, if a Community Development Block Grant (CDBG) were pursued.



II. Survey of Potential Beneficiaries (STEPS Survey Results)

Of the 120 employees working at STEPS, 91 responded to the survey (See Exhibit 2) provided during the October to November, 2011 time frame. The following is a breakdown of responses to the questions on the survey.

Low-and-Moderate Income Determination

Based on the completed surveys, a total of 63 employees, or 69 percent, live in low-to-moderate (LMI) income households. The remaining 28 employees, or 31 percent was designated Non-LMI because 19 had exceeded the income requirements and 9 did not fill out that part of the survey.

Assessment of Facility Needs

With regard to facility needs, 81 employees responded yes to the need for improvements. Nine (9) employees answered no to the need for improvements. One (1) employee did not reply.

Regarding satisfaction with the bathroom facilities, 75 employees were not satisfied with the bathroom conditions. Thirteen (13) employees are satisfied. Three (3) employees had no reply. In order of frequency the following causes for dissatisfaction with the bathrooms were noted:

- Employee did not like the cleanliness of the bathroom 7 comments
- Employee complained that the bathrooms are too small 6 comments
- Employee reported the need for additional stalls (ADA) 2 comments
- Employee reported the need for more toilet paper 2 comments
- Employee expressed the need for more soap 1 comment

Concerning the need for additional manufacturing capacity, 73 employees responded yes to the need for additional capacity. Eleven (11) employees answered no to the need for additional capacity. Seven (7) employees had no reply.

Regarding satisfaction with the lunchroom facilities, 55 employees were not satisfied, 33 were satisfied, and 3 did not reply.

- Employee stated that the lunchroom was unsightly/unclean 3 comments

The comfort of the heating and cooling system/HVAC, 55 were comfortable, 31 were uncomfortable, and 5 did not reply.

- Employee said AC too cool in winter and too warm in summer 1 comment

Employees able to get staffs' attention easily, 55 employees responded yes, 30 employees said no, and 6 did not reply.

Physical working conditions at the facility, 50 employees replied that the conditions were not good, 37 employees said they were good, and 4 employees did not reply.

When asked if they had enough space to do your job, 47 employees said it is not enough space, 39 employees are ok with the space, 6 did not reply.

- Employee stated a need for additional working space 1 comment

STEPS provides a safe working environment, 44 employees reported no, 40 employees responded yes, and 8 did not reply.

- Employee express a desire to repair the unsafe floor conditions 9 comments

Employee's additional information or comments from the survey that have not already been listed are show below in order of frequency:

- Employee would like the pot holes in the parking lot repaired 3 comments
- Employee reported that the ceiling leaks 2 comments
- Employee reported a need for new machines 1 comment
- Employee reported a need for new buses 1 comment
- Employee reported a need for some new brooms 1 comment
- Employee reported that the facility was too dusty 1 comment
- Employee reported a need for new machines 1 comment
- Employee reported a need for a 40 minute lunch break 1 comment
- Employee reported a need for more pay 1 comment

STEPS Survey Summary

To capture the core needs of the STEPS survey, the top three concerns are listed based on the number of responses received. The survey suggests that the primary concern of the employees is the need for improvement to the STEPS Manufacturing Facility. This was noted by the eighty-one (81) responses, which is 89 percent of the surveys received. Dissatisfaction with the bathroom facilities received seventy-five (75) responses, 83 percent indicating that they were dissatisfied and there were eighteen additional written comments on the conditions (too small, not enough stalls, ADA needs, etc.). A need for additional manufacturing capacity also received seventy-three (73) responses, 80 percent from the employee surveys.

Although flooring issues were not listed on the survey form as one of the questions, it received the most comments in the write-in section. Based on the number of written comments about the unsafe floors, this should be addressed with the primary concerns noted above.

Other items identified on the surveys but did not have significant margin of responses is as follows:

- The lunchroom is unsatisfactory to 60 percent of the respondents. Three (3) of the respondents stated that the lunchroom was unclean/unsightly
- The physical working conditions were cited as not good for 55 percent of the respondents
- There is not enough space to do the job according to 52 percent of the respondents
- The facility is an unsafe working environment for 48 percent of the respondents
- The heating and cooling system/HVAC was uncomfortable to 34 percent of the respondents
- Getting the staff attention easily, if needed, is not doable for 33 percent of the respondents

All these responses may be alleviated with the construction of an addition or a new facility.

III. Regional Survey Results

Low-and-Moderate Income Determination

The Regional Survey (See Exhibit 3) for citizens seeking employment was conducted with the assistance of the Virginia Employment Commission (VEC). This survey revealed that 37 of the 46 persons responding are living in low-to-moderate (LMI) income households. Based on the completed surveys of Lunenburg and surrounding counties, 80 percent of those households could qualify for assistance in Community Development Block Grant Programs.

Most of the respondents to the regional surveys were from Mecklenburg (14) and the remaining counties are as follows: Prince Edward (9); Lunenburg (7); Brunswick (4); Charlotte (3); Cumberland (3); Amelia (2); Nottoway (2); Buckingham (1); and Other (1).

Of the 46 respondents the following survey results are reported in percentages and ranked accordingly:

- ❖ 96 percent said that there is a need for additional manufacturing jobs
- ❖ 96 percent feel that this region needs additional employment for citizens with diverse abilities
- ❖ 89 percent of the respondents are currently seeking employment
- ❖ 80 percent are willing to travel to Lunenburg to work
- ❖ 63 percent have work experience in manufacturing

Regional Survey Summary

This Regional Survey indicates that the surrounding counties have workers that would support a manufacturing facility like STEPS, and they are willing to travel and work there as well. The respondents recognize that an organization which employs individuals with diverse abilities was needed in the region. Given that the majority of the citizens surveyed come from low-to-moderate income households in the region, and are actively seeking employment, makes them prime candidates for a STEPS expansion project. In addition, the unemployment rate for this region has been 9 percent or higher over the past year creating a larger labor pool. As of September 30, 2011, the Virginia Employment Commission's Unemployment rate for Lunenburg and its neighboring counties averaged 9.4 percent. Lunenburg (8.8%) and the remaining counties rates are as follows: Brunswick (10.6%); Charlotte (9.5%); Mecklenburg (10.0%); Nottoway (7.9%); and Prince Edward (9.4%). An expansion or a new facility could lead to more positions at STEPS and a reduction in unemployment in the region.

Conclusions

This Needs Assessment Report shows that Lunenburg County has some general needs with regard to utilities and housing but nothing too critical or on a large scale. Based on the surveys, a few houses could use some direct assistance. DHCD's Indoor Plumbing & Rehabilitation Program (IPR) could be utilized to address these housing concerns.

Clearly the STEPS Survey process shows a need for a new or improved facility. According to Management, the facility is bursting at the seams and a major transformation is needed to make the building suitable for additional manufacturing. STEPS has turned down military and commercial contracts due to the lack of space. Currently at 120 employees, STEPS will need to hire approximately 70 more workers to satisfy these new contracts. Getting the manpower is not a problem because recently STEPS had 96 applications from citizens without disabilities and 60 individuals with disabilities on file in need of job training and employment. Structurally the capacity of the facility would require an addition to provide more space for manufacturing and to house a larger bathroom and lunchroom. Given the magnitude of renovating or building an addition, some consideration should be given to building a new facility or purchasing a larger one. Doing so would likely eliminate all the concerns the employees expressed in their surveys.

A huge demand for the services that STEPS provide comes from the Department of Rehabilitative Services. They refer nearly 100 workers to STEPS on an annual basis for training and employment. Another agency that has an ongoing relationship with STEPS is the Workforce Investment Board. They made 121 referrals last year, and a good portion of those referrals went to the STEPS facility in Victoria. Currently, STEPS has a pool of applicants waiting for a position to become available. Getting personnel to fill an opening is not a problem for STEPS especially with the ongoing relationship with three key agencies (Workforce Investment Board, Department of Rehabilitative Services and the Virginia Employment Commission).

STEPS, as a sheltered workshop, has a well trained workforce with ample applications on hand to run another shift. However, STEPS, with its diverse ability workforce, requires special support needs such as transportation and personal assistance. STEPS has a fleet of buses that transport workers to and from work on a daily basis. The duration of the current bus routes is three hours prior to and after the work shift. Workers with disabilities require additional supervisors on the production floor, work aids/jigs, job carving/sharing, and some need reduced work hours. These needs have a direct impact on STEPS daily operations, therefore the ability to run a second or third shift is severely hampered. Consequently, the need for a larger facility is even more evident so STEPS can better utilize the resources and manpower at hand.

Lunenburg-STEPS is an unique manufacturing facility, and gaining some additional space is essential to its workforce and the region. Additional space will benefit all workers with and without disabilities while tremendously improving the overall operations. As a result of this assessment, Lunenburg County and STEPS should apply for funding from the Department of Housing and Community Development to help achieve a larger facility.

REFERENCES:

Lunenburg County Community Profile

<http://www.alex.vec.virginia.gov/lmi/pdfs/communityprofiles/5104000111.pdf>

Lunenburg County Board of Supervisors

http://lunenburgva.org/gov_bos.html

U. S. Census Bureau

<http://quickfacts.census.gov/qfd/states/51/51111.html>

Department of Rehabilitative Services

Attn.: Jack Smith

225 Industrial Park Rd,

Farmville, VA 23901

(434) 392-8189

South Central Workforce Investment Board

Attn: Debra Crowder

130 Le Grande Ave.

P. O. Box 580

Charlotte Court House, VA 23923

Ph: 434-542-5871

Virginia Employment Commission

Att.: Stanley Ragland

223 Sunchase Boulevard

Farmville, VA 23901

(434) 392-5801

Lunenburg County Residents

The purpose of this survey is to gather information on the Lunenburg Community for a possible Community Development Block Grant (CDBG). Your participation is needed for a successful survey process. All information will be kept in confidence and used for Community Development Grant Applications only. For additional information or questions please contact the Lunenburg County Administration Office at (434) 696-2142.

Date Survey Completed: _____

1. Name: _____
 Address (No Post Office Boxes): _____
 _____ Zip _____

3. Ethnicity: Hispanic or Latino? Yes _____ No _____
 Race: White _____ Black/African American _____ Other _____

4. Do you: own home _____ or rent _____

5. Total annual household income is defined as income all household members over age 17 received from all sources, such as wages, salaries, interest income, investment income, social security, public assistance, or other sources. Find the statement which corresponds to your household size and check whether your income is above or below the threshold income on that line.
 - There is **one (1) person** in my household including myself, my income is:
 Above _____ **\$29,050 per year** Below _____
 - There are **two (2) persons** in my household including myself, our income is:
 Above _____ **\$33,200 per year** Below _____
 - There are **three (3) persons** in my household including myself, our income is:
 Above _____ **\$37,350 per year** Below _____
 - There are **four (4) persons** in my household including myself, our income is:
 Above _____ **\$41,500 per year** Below _____
 - There are **five (5) persons** in my household including myself, our income is:
 Above _____ **\$44,850 per year** Below _____
 - There are **six (6) persons** in my household including myself, our income is:
 Above _____ **\$48,150 per year** Below _____
 - There are **seven (7) persons** in my household including myself, our income is:
 Above _____ **\$51,500 per year** Below _____
 - There are **eight (8) persons** in my household including myself, our income is:
 Above _____ **\$54,800 per year** Below _____

6. Are you experiencing problems in the following areas:

WATER Yes No

Please describe any problems _____

SEWER Yes No

Please describe any problems _____

STREETS Yes No

Please describe the problem _____

DRAINAGE Yes No

Please describe the problem _____

TRANSPORTATION Yes No

Please describe the problem _____

7. Is your house equipped with a bathroom with commode, sink, and tub/shower?
Yes No

8. I am interested in having my house provided with the following, if not already available:

Water Yes No

Sewer/Septic System Yes No

Bathroom Yes No

9. Are there any elderly (62 years or older) persons residing here? Yes No

10. Are there any persons living here that are disabled? Yes No

11. Is this a female-headed household? Yes No

12. How many children under 17 years old reside in the household? _____

13. Would you participate in a housing rehab program if loan funds were made available?
Yes No

Survey of Potential Beneficiaries

Survey Code: _____

Date of Survey: _____

The purpose of this survey is to determine the level of need for improvements or an expansion to the STEPS Manufacturing Facility in Lunenburg County and the Region. This information is being requested to identify current working conditions. All information will be kept in confidence and used for Grant programs only. For additional information or questions please contact the Lunenburg County Administration Office at (434) 696-2142.

I. I am currently a resident of the following County:

- Lunenburg
- Brunswick
- Charlotte
- Mecklenburg
- Nottoway
- Prince Edward
- Other _____

II. How many people live in your household?

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9 or more

III. Please give us your annual household income (From all members 18 years of age and older), or your best estimate.

- \$0 - \$29,050
- \$29,051 - \$33,200
- \$33,201 - \$37,350
- \$37,351 - \$41,500
- \$41,501 - \$44,850
- \$44,851 - \$48,150
- \$48,151 - \$51,500
- \$51,501 - \$54,800

Survey of Potential Beneficiaries

Survey Code: _____

- | | Yes | No | N/A |
|--|------------------------------|-----------------------------|--------------------------|
| 1. Is there a need for improvements at the STEPS Manufacturing Facility in Lunenburg County? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Are the physical working conditions at the facility good? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Do you have enough space to do your job? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Is there a need for additional manufacturing capacity at STEPS? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | <input type="checkbox"/> |
| 5. If needed, are employees able to get staff's attention easily? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Are you satisfied with the bathroom facilities provided by STEPS? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | <input type="checkbox"/> |
| 7. Are you satisfied with the break-room/lunchroom provided by STEPS? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | <input type="checkbox"/> |
| 8. Is the STEPS heating and cooling system comfortable? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | <input type="checkbox"/> |
| 9. Does the current facility provide a safe working environment? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | <input type="checkbox"/> |

10. If you have any additional information or comments that you feel will be of assistance to this survey, please write them in the space below:

Thank you for completing this survey. All information will be kept in confidence and used for Community Development Grant Applications only.

EXHIBIT 3

Lunenburg County and Regional Survey

Survey Code: _____

Date of Survey: _____

The purpose of this survey is to determine the level of need for a STEPS Manufacturing Facility in Lunenburg County and the Region. This information is being requested to identify persons in the region that want to work at STEPS. All information will be kept in confidence and used for Grant programs only. For additional information or questions please contact the Lunenburg County Administration Office at (434) 696-2142.

I. I am currently a resident of the following County:

- Lunenburg
- Brunswick
- Charlotte
- Mecklenburg
- Nottoway
- Prince Edward
- Other _____

II. How many people live in your household?

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9 or more

III. Please give us your annual household income, or your best estimate. (From all members 18 years of age and older)

- \$0 - \$29,050
- \$29,051 - \$33,200
- \$33,201 - \$37,350
- \$37,351 - \$41,500
- \$41,501 - \$44,850
- \$44,851 - \$48,150
- \$48,151 - \$51,500
- \$51,501 - \$54,800

Lunenburg County and Regional Survey

Survey Code: _____

- | | Yes | No | N/A |
|--|------------------------------|-----------------------------|--------------------------|
| 1. Are you currently seeking employment? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Do you feel there is a need for additional manufacturing jobs in this region? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | <input type="checkbox"/> |
| 3. If a job was available, could/would you travel to Lunenburg County to work? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | <input type="checkbox"/> |
| 4. STEPS' mission is: "To provide employment opportunities and related services to individuals with diverse abilities in our communities". Do you feel this region is in need of additional employment-related services for citizens with diverse abilities? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Do you have work experience in manufacturing? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | <input type="checkbox"/> |

Thank you for completing this survey. All information will be kept in confidence and used for Community Development Grant Applications only.

October 17, 2011

Dear Lunenburg County Parent,

We need your help!! Please find attached a general survey for Lunenburg County residents. The County is seeking a grant to expand the STEPS facility in Victoria. As a part of the grant application, the County is supposed to conduct this survey. Information will be gathered from these surveys for a needs assessment of the County in general. The information generated will compliment the STEPS project and help in the development of future grant plans for our community.

More information about the STEPS project will be in the KV Dispatch in the near future. This expansion is very important to the entire Community for many reasons and we request that you help us by filling out the attached survey.

A drawing of the completed surveys will take place by November 15, 2011. Three \$25 Gift Certificates will be awarded.

After filling out the information, we request that you fold and tape the survey so that your responses remain confidential. You can bring the completed and sealed survey with you to the Parent Teacher Conference on October 24, 2011 at your child's school. You may also bring it to the County Administrator's office at the Courthouse Complex or mail it to

STEPS Survey
11413 Courthouse Road
Lunenburg, VA 23952.

Please turn in your completed survey prior to October 28, 2011.

Your input as a County resident is very important to the Community as a whole and may help in securing this and other grants. We appreciate your time and effort in completing this survey. If you should have any questions, please do not hesitate to call me at 434-696-2546.

Thank you so much,



Beverley P. Hawthorne
Community Development

**An Assessment of
Early Childhood
In the
Heartland Region of Virginia**

Smart Beginnings Heartland Coalition

2010

An Assessment of Early Childhood
In The Counties of
Amelia, Buckingham, Charlotte, Cumberland,
Lunenburg, Nottoway and Prince Edward

Executive Summary

Each year hundreds of children enter kindergarten in the Heartland Region of Virginia. These young children and their families bring anticipation, hope, and excitement as they begin their early experiences in school. They also bring diverse family characteristics that include differences in income, parental education, health care; and prior learning experiences from both the home and out-of-home settings such as family or friend child care, Head Start, private day care, or no out-of-home experience at all. As a result, some children come to school fully prepared to meet the expectations of kindergarten. However, other children arrive at school without some requisite skills and competencies. For many of these unprepared children, kindergarten will mark not a bright beginning, but a gradual descent into school failure.

Addressing these disparities is critical for both the children and for the region. Findings from both brain research and longitudinal studies indicate that communities need to capitalize on the early years preceding school, so that all children who enter school are ready to learn. To do this, our seven-county area will need to develop strong coordinated and integrated strategies that address the following:

- Lack of quality, affordable child care, particularly for the 6-weeks to 2 years of age group of children.
- Parent education programs conducted by qualified facilitators utilizing best-practices and offered along a continuum from pre-natal through the teen years.
- Expansion of area kindergarten transition programs to involve more parents and education of the importance of these activities to the future success of the child.
- Creation of innovative partnerships that support an integrated early childhood development system

Introduction

Children are born ready to learn. What takes place between birth and school entry greatly determines whether they will enter school ready for sustained success, or enter with gaps in their cognitive, social/emotional, and physical competencies. A child's early experiences shape the brain's structure and chemistry, thereby affecting a child's learning well into the future.

The link between school readiness and school achievement is well established. Gaps in children's ability not only show up early, but they stay relatively constant after age eight. Researchers now document that half the academic achievement gap evidenced in grade 12 can be attributed to gaps that already existed in first grade. Other research findings show:

- Early childhood interventions produce a \$14 - \$17 return for every dollar invested. The return includes savings from reduced special education and remedial education, welfare, and criminal justice costs, as well as increased tax revenue produced in the workforce.
- A child growing up in poverty who has experienced high quality early education is 40% less likely to require special education or to be held back a grade, 30% more likely to graduate from high school, and twice as likely to go to college.
- Creating an environment that supports healthy development in early childhood is more effective programmatically than treating problems at a later age.

When children thrive through their first five years, they are poised to be strong lifelong learners, earners and engaged citizens. In order to thrive in their first five years and be ready for sustained school success they need:

- Families in a strong position to assist their learning and development
- Early education and caregivers of the highest quality
- Pediatric providers and other professionals who can rapidly detect and address problems that threaten their healthy development and ability to learn
- A community that makes children a top priority

The following needs assessment was conducted during 2009/2010 and provides fundamental information needed to set priorities, seek supporting funds, and advocate for a high-quality environment for children. The report is based upon parent surveys, focus groups and information collected from multiple data sources including the U.S. Census, the Virginia Department of Education, Kids Count VA, the Department of Social Services, the Virginia Department of Health, and other state and federal agencies and organizations.

Who are the Children and Families in the Heartland Region?

- ❖ **An estimated 5,484 children under the age of five (5) live in the Heartland's seven-county area** - Amelia – 776, Buckingham – 778, Charlotte – 720, Cumberland – 587, Lunenburg – 698, Nottoway – 890, Prince Edward – 1,035
- ❖ **Up to 3,800 young children may need some type of child care.** According to the 2000 Census, an average of 69.6% of all Heartland families with children under the age of six (6) had all parents in the labor force, resulting in up to 3,800 possibly needing some type of childcare
- ❖ **Many children are at risk.** Research indicates that a number of factors put children at risk for lower academic achievement, including the following (Huffman et al.,2000):

Low economic status: As they enter school, children in low-income families are significantly behind their more affluent peers – academically, socially, and physically (E. Gershoff, PhD, 2003). According to the 2000 Census, in Amelia 5% of children under the age of six (6) are living in families with incomes below the federal poverty threshold, 28% in Buckingham, 19% in Charlotte, 18% in Cumberland, 31% in Lunenburg, 22% in Nottoway, and 23% in Prince Edward

Minority Status: Ethnicity, poverty, gender, and household composition have all been associated with school competence among children (Huffman et al.). Children from African American and Hispanic families are more likely to have one or more of these risk factors, compared with children from White families (*The Condition of Education 2000*). In 2008, 23.3% of the population in Amelia was Black or African American and 1.2% Hispanic, Buckingham had 36.6% Black or African American and 1% Hispanic, Charlotte had 31% Black or African American and 2.1% Hispanic, Cumberland had 33.9% Black or African American and 2.4% Hispanic, Lunenburg had 36.4% Black or African American and 3.3% Hispanic, Nottoway had 39.9% Black or African American and 2.9% Hispanic, and Prince Edward had 34.2% Black or African American and 1.1% Hispanic.

Low birth weight: Children born with an extremely low birth weight have a higher incidence of behavior problems at school entry, poorer cognitive performance (McCormick et al., 1998), and an increased incidence of learning disabilities and academic difficulties (Hack et al., 1992). In 2007, 5.4% of infants born in Amelia County weighed less than 5.8 pounds, 7.8% in Buckingham, 13.2% in Charlotte, 10.9% in Cumberland, 11% in Lunenburg, 11.2% in Nottoway, and 13% in Prince Edward County. The rate in Virginia during that year was 8.6%.

Level of maternal education: Lower levels of maternal education are correlated with children's early school failure, including lack of reading and math achievement (Fowler and Cross, 1986). In 2007, 16% of births to mothers living in Amelia County had less than a 12th grade education, 20% in Buckingham, 22% in Charlotte, 18% in Cumberland, 24% in Lunenburg, 20% in Nottoway, and 13% in Prince Edward County. (U.S. Census).

Abuse and Neglect: Children who are maltreated have higher rates of school problems, including lower test scores in math and English, lower IQ scores, lower social acceptance and more grade repetitions (Eckenrode et al., 1995). In Amelia County, 62 cases of child abuse and neglect were substantiated in 2009, 13 cases in Buckingham, 12 in Charlotte, 49 in Cumberland, 1 in Lunenburg, 5 in Nottoway, and 53 in Prince Edward County.

The complete demographic report may be found in Attachments A & B

Ready Services

Early Education

A child's early learning experiences are crucial determining factors for emotional and intellectual development and will ultimately affect how well a child will perform in school. A 1998 study by the National Institute of Child Health and Human Development, showed that the quality of child care received in the early years, rather than quantity of time spent in child care, predicted whether a child's behavior was pro-social or antisocial. The study further showed that children who attend preschool or other early education programs:

- have enhanced cognitive, verbal, and social development, which is maintained into the first few years of school.
- have significantly higher IQs
- enter school better prepared to learn
- are less likely to exhibit later delinquency and antisocial behavior.
- tend to demonstrate higher levels of school achievement and better social adjustment.
- are less likely to have to repeat a grade or be placed in special education classes.
- are more likely to graduate from high school.

In 2007 there was an estimated 5,484 children under the age of five (5) living in the Heartland's seven-county area (U.S. Census). In Amelia County there were 776, in Buckingham – 778, Charlotte – 720, Cumberland – 587, Lunenburg – 698, Nottoway – 890, and in Prince Edward County there were 1,035. Projections are that the number of children will continue to rise over the next several decades. According to the 2000 Census, **an average of 69.6 of all Heartland families with children under the age of six (6) had all parents in the labor force, resulting in up to 3,800 possibly needing some type of childcare.** To serve these children, there are a total of 26 licensed day care centers in the seven-county region:

- Amelia – 3
- Buckingham – 2
- Charlotte – 3
- Cumberland – 1

- Lunenburg – 2
- Nottoway – 6
- Prince Edward – 9

Of these, nine (9) are Head Start programs, which in 2009 served 314 children 3 and 4 years of age. During 2009 an additional 327 area children were served through the Virginia Pre-school Initiative. Additionally, there are 19 unlicensed day care providers identified in the area who receive subsidies from the Department of Social Services. These include religious exempt child day centers, voluntary registered day homes and certified pre-schools. They are located as follows:

- Amelia – 2
- Buckingham – 2
- Charlotte – 2
- Cumberland – 2
- Lunenburg – 3
- Nottoway – 4
- Prince Edward – 4

What happens to the other children?

Prior to age 3, the most common arrangement for child care is in another home by either a relative or non-relative. It is particularly difficult to find a placement for children who are under 18 months, so infants and toddlers are more likely to be placed in family child care homes (Hamm et al., 2004). Nationally, forty percent (40%) of children under age one and 37 percent of children ages 1-2 whose mothers are employed are in this kind of care arrangement. **Local Focus Groups confirmed that much of the early care in the region is from family, friends and neighbors and that there is a tremendous need in the area for child care facilities that would take children between the ages of 6-weeks up to 2 years of age.** Additionally, grandparents often become responsible for the care of their grandchildren. According to the U.S. Census Bureau, there are 104 grandparents in Amelia County who are responsible for the care of their grandchildren, 182 in Buckingham, 255 in Charlotte, 94 in Cumberland, 180 in Lunenburg, 364 in Nottoway, and 246 in Prince Edward County

According to the Virginia Office of Early Childhood Development, the quality of care a child receives during their first five years is critical. Children with access to high quality early learning experiences are more likely to acquire the skills they need to enter kindergarten ready to succeed and adapt to new learning and social environments. High quality care means that children are engaging in meaningful learning and play, guided by qualified caregivers in an enriched educational environment. A 2008 study by the Brookings Institution found that only 20% of the child care facilities in the United States were of “good quality,” while 70% were mediocre and 10% were of poor quality.

The Virginia Star Quality Initiative (VSQI/QRIS) was created to provide a consistent way to distinguish the level of quality in early education programs, allowing families to make more informed choices and allowing child care providers a way to improve the quality of their services. This voluntary quality rating and improvement system focuses on four key areas: 1) Education, qualifications, and training of staff, 2) Interactions, 3) Structure, and 4) Environment and Instruction. At the time of this writing, more than 125 child care centers throughout Virginia have been rated, however **none of the licensed and unlicensed child care facilities in our seven-county region have participated or been rated by the VSQI/QRIS system.**

According to the VSQI, effective early childhood professionals need a strong background in education and child development. It has been shown that properly trained teachers promote language and early literacy skills and the social development needed for later academic and professional success. Of the 9 Head Start programs in the region, there is one (1) staff member with a Master’s in Early Childhood Education and three (3) staff members with B.A. degrees in Early Childhood Education. Most of the Head Start staff have Associate Degrees in Early Childhood Education. Educational information on staff at other child care facilities was not available. No child care centers or family child care homes in the region are accredited by the National Association for Family Child Care (NAFCC).

In local Focus Group meetings, additional training for day care provider staff was indicated as a service that is needed. Teachers need training and support if they are to help children with challenging behaviors. Research is being conducted nationally into the most effective interventions for challenging behaviors by preschoolers. Professional development workshops on early childhood education are held each March and October by a consortium

between Longwood University, Virginia Cooperative Extension, and Prince Edward Department of Social Services. The Virginia Cooperative Extension also offers a number of educational opportunities for child care providers. Cost for participation, time of day, location and personal child care issues may be barriers for child care providers to take advantage of the programs. Despite the critical role early education and child care providers play, they are among the lowest paid workers and are often forced to take on second jobs or forgo health insurance. A direct result of low wages is high turnover in the industry. As noted by Janice Gruendal, the challenge seems to be the incentive for early childhood teachers to “pay \$60,000 for an education to work for \$20,000 a year.”

When fortunate enough to be able to select a child care provider, **local parents surveyed indicated that quality was the most important factor, followed by cost.** Other important factors for local parents when selecting a child care facility:

- Location – 50%
- Hours of operation – 50%
- Someone recommended it – 25%
- Low teacher/child ratio – 25%
- Children from this program tend to do well in school – 19%

The cost of quality child care is continuously rising. According to Wrightslaw, in 2007, the average fee for full-time, center-based child care ranged from over \$3,800 to \$14,600 annually, depending on a family's geographic location and children's ages. Cost, not quality, may therefore actually be the primary criteria for selecting a provider, which in turn impacts the bottom line of higher quality programs. Locally the cost for private day care facilities can be as high as \$125 per week. In 2008 the estimated median household income in Virginia was \$61,233. In the Heartland Region, the estimated median household income ranges from \$37,950 to \$52,804; all well below the State level. According to the 2000 Census, in Amelia 5% of children under the age of six (6) are living in families with incomes below the federal poverty threshold, 28% in Buckingham, 19% in Charlotte, 18% in Cumberland, 31% in Lunenburg, 22% in Nottoway, and 23% in Prince Edward. High cost quality child care is very difficult for families with low income

and only a small number of local children are receiving child care subsidies through the Department of Social Services:

- Amelia – 57
- Buckingham – 54
- Charlotte – 57
- Cumberland – 43
- Lunenburg – 34
- Nottoway – 108
- Prince Edward – 138

Health Services

Child health plays a significant role in ensuring that children start school ready to succeed. Children absent from school for chronic health conditions risk falling behind in their schoolwork. Children with untreated vision problems cannot track printed letters and words across a page and learn to read. According to Oral Health America, oral disease in children is responsible for more than 51 million lost school hours each year. Child health care services play a key role in the early identification of developmental, behavioral, social, environmental and biological conditions that affect children's learning ability.

Children without health insurance are less likely to receive primary and preventive health services, less likely to have special needs identified and addressed in a timely fashion, and more likely to experience poorer overall health. In 2006 10.4% of Virginia's children were without health insurance. In Amelia County it was 19.9%, Buckingham 18.5%, Charlotte 19.7%, Lunenburg 17.6%, Nottoway 15.8%, and in Prince Edward County 16.1% of the children are without health insurance. Nationally, more than two thirds of uninsured children (67.3%) are eligible for Medicaid/SCHIP. In 2003 the following number and percent of children eligible for FAMIS (Family Access to Medical Insurance Security Plan) were not enrolled:

Community	Number of children eligible but not enrolled in FAMIS	Percent of children eligible but not enrolled
Amelia	31	5%
Buckingham	506	33%
Charlotte	313	27%
Cumberland	216	24%
Lunenburg	421	32%
Nottoway	633	35%
Prince Edward	575	43%

why is enrollment better here?

who signs up?

Lack of health insurance has been shown to affect whether or not expecting mothers receive prenatal care, and is a risk factor for low birth weight and infant mortality. In 2007, 3.4% of Amelia expectant mothers received no prenatal care or no prenatal care before the third trimester. In Buckingham this rate was 22.8%, Charlotte 21.7%, Cumberland 12.6%, Lunenburg 18.9%, Nottoway 17.4%, and in Prince Edward County 13% of expectant mothers received no prenatal care or no prenatal care before the third trimester. The rate of low birth weight in six of the region's counties during 2007 was also well above the national level of 6%. Buckingham's rate was 7.8%, Charlotte 13.2%, Cumberland 10.9%, Lunenburg 11%, Nottoway 11.2% and Prince Edward County 13% .

For children with special needs, high quality early child care and education provide an important foundation for future learning. In many cases, early supports reduce the need for special education services later on. A recent study found a 41 percent (41%) lower rate of special education placement than for a similar group of children who did not receive a quality preschool program (Reynolds et al., 2001). Additionally, full integration of children with disabilities in the typical early childhood environment is beneficial to all involved. "Children with special needs require typically developing role models to help them understand where they fit in the world of being a child" (B. Raine, Ph.D.). In 2006, the percent of students with special needs under age six (6) was: Amelia 4.2%, Buckingham 3.1%, Charlotte 5.1%, Cumberland 5.1%, Lunenburg 3.7%, Nottoway 3.3% and Prince Edward County 6.3%.

Ready Children

“In general, the more chronic the economic, social, and psychological stressors that young children face, the greater the likelihood of poor social, emotional, and cognitive outcomes...Over 32 percent of all young children are affected by one risk factor such as low income, low maternal education, or single parent status, and 16 percent are in families with two or more socio-demographic risks” (Raver et al.,2002). When these percentages are applied to the Heartland Region, an estimated 1,755 children under the age of five may have one risk factor and 877 may have two or more risk factors.

Many studies have shown that low socio-economic status has a potentially negative effect on future school achievement. As they enter school, children in low-income families are significantly behind their more affluent peers – academically, socially, and physically (E. Gershoff, PhD, 2003). In the Heartland Region, in all but one county the percent of children under age six (6) living in families with incomes below the federal poverty threshold exceeds the state rate of 13%. According to the 2000 Census, in Amelia 5% of children under the age of six (6) are living in families with incomes below the federal poverty threshold, 28% in Buckingham, 19% in Charlotte, 18% in Cumberland, 31% in Lunenburg, 22% in Nottoway, and 23% in Prince Edward County.

Other risk factors for young children in the Heartland region that may contribute to academic and behavior problems at the beginning of school include:

- Lower levels of maternal education (See Ready Families) – *in six of the seven area counties this rate is above that of the state.*
- Maternal alcohol consumption during pregnancy is associated with intrauterine growth retardation and low birth weight, which affects later cognitive and social development (Streissguth et al.) – *the number of substance exposed newborns in the seven-county area nearly doubled between 2006 and 2008.*
- Children with an extremely low birth weight as babies have a higher incidence of behavior problems at school entry and poorer cognitive performance (McCormick et al.), as well as increased incidence of learning disabilities and academic difficulties (Hack et

al.). - *The rate of low birth weight in six of the region's counties during 2007 was well above the national level of 6%.*

- Children who are maltreated have a higher rate of school problems than children who are not maltreated, including lower test scores in math and English, lower IQ scores, lower child-perceived social acceptance, increased absence from class, and more grade repetitions (Eckenrode et al.) – *In 2009 the Heartland region had 84 substantiated cases of child abuse and neglect among children ages 0 – 5 and a total of 195 among all Heartland children 0 – 17.*

Since 1997, Virginia has used the Phonological Awareness Literacy Screening (PALS) as the state-provided screening tool for Virginia's Early Intervention Reading Initiative. Beginning in 2000, the PALS instruments were designed for use in kindergarten, PALS-K, and grades one through three, PALS 1-3. The purposes of PALS are to (a) screen and identify children who are relatively behind in their acquisition of important literacy fundamentals, and (b) provide teachers with diagnostic information that allows them to match reading instruction to specific literacy needs. The following table shows the percent of children entering kindergarten during the past two years who were identified through PALS as being at risk for reading failure because they are behind grade-level expectations in important literacy fundamentals.

County	2007	2008
Amelia	32%	21%
Buckingham	23%	18%
Charlotte	13%	11%
Cumberland	19%	4%
Lunenburg	16%	20%
Nottoway	22%	12%
Prince Edward	14%	13%

In 2006, the percent of students with special needs under age six (6) was: Amelia 4.2%, Buckingham 3.1%, Charlotte 5.1%, Cumberland 5.1%, Lunenburg 3.7%, Nottoway 3.3% and

Prince Edward County 6.3%. For children with special needs, high quality early childhood care and education provide an important foundation for future learning. The earlier children with developmental delays are identified and provided with appropriately designed services and supports, the greater gains a child will make in their educational and social development. **Focus Group participants indicated that current screenings and assessments for developmental delays are well handled within the region by the agencies offering the screenings.** Those are: Crossroads Community Services Board, Piedmont Healthy Families, Infant and Toddler Connection of the Heartland, Longwood Center for Communication, Literacy, and Learning; and the Public Schools in the region.



Ready Families

The family plays the most important role in a young child's life. According to Virginia's definition of school readiness, "A ready family has adults who understand they are the most important people in the child's life and take responsibility for the child's school readiness through direct, frequent, and positive involvement and interest in their child. Adults recognize their role as the child's first and most important teacher, providing steady and supportive relationships, ensuring safe and consistent environments, promoting good health, and fostering curiosity, excitement about learning, determination, and self-control."

Children are born learning. **When asked when they think babies are ready to learn, 29% of local parents surveyed indicated between one and three years.** The latest research in literacy development shows that a child's experiences with oral language development and literacy, as early as the first months of life, begin a foundation for later reading success (NGA Center for Best Practices). **When literacy rates are low, young children miss the benefits of being read to daily.** It is estimated that in 2003, the percent of adults that did not have basic prose literacy skills in Amelia County was 15%, Buckingham County was 22%, Charlotte was 20%, Cumberland was 18%, Lunenburg was 20%, Nottoway was 20% and Prince Edward County was 16%. Moreover, nationally, parents routinely read to only 50% of infants and toddlers. Additionally, in five of the seven area counties the percent of births to mothers with less than a 12th grade education in 2007 was above the state of Virginia rate of 15%; Amelia, 16% , Buckingham 20%, Charlotte 22%, Cumberland 18%, Lunenburg 24%, and Nottoway 20% .

Positive attitudes on children's learning can be developed by parents who attend parenting classes. According to the Office of Juvenile Justice and Delinquency Prevention, "at least 30 – 40 contact hours are needed for a positive and long lasting impact from family education programs, particularly because high risk families often miss sessions or have difficulty implementing in their home the skills taught in the class." Past efforts for general parenting classes open to the community have resulted in a lack of parents willing to attend multiple session classes. **Regional community Focus Groups indicated that enrollment in parenting**

classes currently offered in the area is often low and frequently due to court orders.

Regional providers of parenting services include parenting classes by Prevention Services at Crossroads CSB, Parents as First Teachers plus support groups by Piedmont Healthy Families, and parent training classes by the Virginia Cooperative Extension. **Focus Group members identified the stigma attached to attending parent education classes as a barrier to participation and the need for classes to be offered beginning at a young age so as to help prevent teenage pregnancies.**

Home visiting is a strategy for offering information, guidance and support to families in the place in which they are typically most comfortable; their own home. Home visits provide a method for fostering healthy child development, especially during the birth to age six years, when families are unlikely to have contact with the school system. Unlike case management services, home visiting programs are curriculum based, intensive, comprehensive and flexible. Services focus on the parent-child interaction and on the relationship between parents. Effective programs address health and mental health issues and help parents build support networks. Locally Piedmont Healthy Families, Infant & Toddler Connection of the Heartland, and United Methodist Family Services are the only comprehensive home visitation programs available. Teachers in the Head Start program are mandated to make two home visits a year and other home visitations are made as needed.

A local Parent Survey indicated that most parents would be interested in a place where they could acquire resources to assist them with parenting issues. Located in places that are easily assessable to parents, such as a shopping mall or mobile facility, resource centers can provide staff to answer questions, distribute written materials, conduct early childhood screenings and assessments, assist with the transition to kindergarten, and many other functions. Currently, there are no parent resource centers operating in the region.

Parents play a major role in their child's transition into kindergarten. Through family-school connections prior to a child's first day in kindergarten, family collaborations and involvement with the school and the transition process are fostered. **The need to have more parents involved with kindergarten transition activities was identified by Focus Groups as a**

primary concern. Transition activities (prior to first day at school) that families have found useful include:

- Child visited kindergarten classroom
- Parent met with kindergarten teacher
- Parent(s) talked with preschool staff about kindergarten
- Attended a workshop for parents
- Attended an orientation to kindergarten
- Talked with parents of child's new classmates
- Participated in elementary school-wide activities.

Other concerns for families identified during Focus Group Meetings were:

1. Need for translators
2. English as Second Language classes
3. Transportation for parents to take children to day care providers

Ready Schools

Ready schools do all that is necessary to assure the success of every child. A ready school helps each child achieve grade-level proficiencies across all areas of the curriculum: academic, social-emotional, and physical learning and development... Children enter school with a diversity of strengths and backgrounds. The ready school accommodates this diversity and provides each child with the instruction and supports that he or she needs to learn effectively and to attain proficiency. Ready schools also help children succeed through collaborative efforts that reach beyond the school walls. Additionally, ready schools build strong positive relationships with families and partner with preschool teachers, community programs, and higher education to ensure that they are able to educate all children

According to the *School Readiness in North Carolina* report, there are four key features of Ready Schools:

- ☞ **Ready Teachers** who are knowledgeable of basic child development principles, “tuned in” to individual children’s interests and abilities, able to provide a classroom environment where children are actively involved in learning activities, and working in partnership with families and other adults in the child’s world.
- ☞ **Ready School Environments** where children are nurtured through on going relationships with caring adults, have opportunities to learn through play and “hands-on” experiences with a variety of materials, and experience predictable routines and schedules.
- ☞ **Ready Curriculum and Instruction Strategies** that provide meaningful learning experiences to build upon children’s individual abilities and interests and that are grounded in developmentally appropriate practices.
- ☞ **Ready Administrators** who are knowledgeable of child development and developmentally appropriate practices, support teachers in their role, nurture family involvement, and put the needs of children first.

Further research is needed to determine the state of School Readiness in the Heartland region. An assessment about the capacity of area schools to educate all children who enter kindergarten could gather information such as average kindergarten class size and percentage of kindergarten teachers with a BS in Birth through Kindergarten education, professional development opportunities, and availability and variety of classroom materials.

School Transitions

As children and families move from home, preschool, or other types of early childhood programs, the child's first experiences in kindergarten set the stage for his or her success in school. A smooth transition that provides as much continuity for children as possible should be the goal. Successful transitions include the following:

1. Community-wide planning that involves families, child care and other early childhood providers, school teachers and administrators, and a variety of community service agencies.
2. Transition activities, such as visits to the school, planned cooperatively for children by their families, care providers, teachers, and community service providers.
3. Transition policies, programs, and practices that reflect the diversity and uniqueness of children, their families, and the community.
4. Developmentally appropriate practices in all programs of care and education from birth to age eight to ensure continuity in assessment, curriculum, and instruction.
5. Coordinated staff development to bring early childhood providers and kindergarten teachers together.
6. Shared decision making that involves families as active partners in their children's care and education.
7. Written community transition agreements that are created jointly between schools and service providers and are reviewed and revised as ongoing transition efforts are expanded.

Local Focus Groups indicated a need to increase parent involvement in transition activities. Further study of regional transitions as they relate to the above seven elements is recommended.

ATTACHMENT
A

Heartland
Ready Indicators

Ready Children

	Amelia	Buckingham	Charlotte	Cumberland	Lunenburg	Nottoway	Prince Edward	Virginia
PALS-K (Kindergarten) % "not ready" (in 2008)	21%	18%	11%	4%	20%	12%	13%	15%
PALS-K (Kindergarten) % "not ready" (in 2007)	32%	23%	13%	19%	16%	22%	14%	16%
% of students with special needs under age 6 (in 2006)	4.2%	3.1%	5.1%	5.1%	3.7%	3.3%	6.3%	3%
% of students with special needs under age 6 (in 2005)	3.9%	3.8%	4.5%	4.1%	4.07%	3.9%	4.9%	3%

Source: Kids Count Data Center - <http://datacenter.kidscount.org/data>

Ready Families

	Amelia	Buckingham	Charlotte	Cumberland	Lunenburg	Nottoway	Prince Edward	Virginia
% of births to mothers with less than a 12th grade education (in 2007)*	16%	20%	22%	18%	24%	20%	13%	15%
% of births to mothers with less than a 12th grade education (in 2005)*	15%	15%	19%	17%	24%	18%	24%	
# of births to teens ages 15-17 per 1,000 girls (in 2007)*	42	18	15	9	29	16	21	17

# of births to teens ages 15-17 per 1,000 girls (in 2005)*	16	8	11	20	7	28	22	
# of substantiated child abuse and neglect among children age 0-5 (in 2009)**	3	10	18	2	22	3	26	
# of substantiated child abuse and neglect among children age 0-17 (in 2009)**	62	13	12	49	1	5	53	
# of children (age 0-17) in foster care (in 2009)*	6	6	10	1	14	13	25	
# of children (age 0-17) in foster care (in 2007)*	12	8	22	9	13	19	25	
# of newborns exposed to alcohol, improperly used prescription medication and illicit substances in utero (in 2008)**	3	2	3	2	1	1	0	864
# of newborns exposed to alcohol, improperly used prescription medication and illicit substances in utero (in	0	no data reported	2	0	0	2	3	690

2006)**								
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Source: *Kids Count Data Center - <http://datacenter.kidscount.org/data>

** Virginia Department of Social Services - <http://www.dss.virginia.gov>

Ready Communities

	Amelia	Buckingham	Charlotte	Cumberland	Lunenburg	Nottoway	Prince Edward	Virginia
% of children under age 6 living in families with income below the federal poverty threshold (in 2000)	5%	28%	19%	18%	31%	22%	23%	13%
% of Students approved for free or reduced price school lunch (in 2008)	46%	58%	52%	53%	62%	56%	62%	34%
% of infants and toddlers in poverty who are enrolled in Early Head Start	Not Applicable No Early Head Start Program							
% of children under age 6 tested for lead (in 2006)	12.6%	15.7%	24.5%	9.3%	21.7%	17.6%	26.6%	13.5%
% of children under age 6 with elevated lead levels (in 2006)	2.7%	0.7%	0.0%	1.8%	0.0%	2.7%	0.3%	0.5%

Source: Kids Count Data Center - <http://datacenter.kidscount.org/data>

Ready Services - Health Services

	Amelia	Buckingham	Charlotte	Cumberland	Lunenburg	Nottoway	Prince Edward	Virginia
% of children with no health insurance (in 2006)	19.9%	18.5%	19.7%	17.6%	17.6%	15.8%	16.1%	10.4%
% of infants born weighing less than 5.8 pounds (in 2007)	5.4%	7.8%	13.2%	10.9%	11%	11.2%	13%	8.6%
% of infants born weighing less than 5.8 pounds (in 2005)	7.9%	8.6%	11.6%	14.0%	6.4%	12.2%	12.8%	
% of mothers receiving Prenatal Care beginning in the First Trimester (in 2007)	96.6%	77.2%	78.3%	87.4%	81.1%	82.6%	87.0%	
% of mothers receiving Prenatal Care beginning in the First Trimester (in 2005)	86.4%	78.4%	76.8%	91.7%	83.3%	88.4%	86.2%	
% of children ages 19-35 months who have been fully immunized	Piedmont Health District to provide data in May	Piedmont Health District to provide data in May	Piedmont Health District to provide data in May	Piedmont Health District to provide data in May	Piedmont Health District to provide data in May	Piedmont Health District to provide data in May	Piedmont Health District to provide data in May	
% of 3- and 4-year olds enrolled in a center-based early childhood care and education program (including child care centers, nursery schools, preschools programs, Head Start programs, and pre-								

kindergarten programs)								
# of children enrolled in Virginia Preschool Initiative Programs (in 2009)	0	43	39	48	37	53	107	14,934
# of children enrolled in Virginia Preschool Initiative Programs (in 2007)	7	54	23	46	38	54	109	
# of children in Head Start	55	52	41	20	37	72	37	
# of children in Early Head Start	Not Applicable No Early Head Start Program							
% of early childhood teachers with a bachelor's degree and specialized training in early childhood								
# of programs participating in Quality Rating and Improvement System (QRIS) / # of children served by these programs	0	0	0	0	0	0	0	
% of child care centers accredited by the National Association for the Education of Young Children (NAEYC)	0	0	0	0	0	0	1%	
% of family child care homes	0	0	0	0	0	0	0	

accredited by the National Association for Family Child Care (NAFCC)								
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Source: Kids Count Data Center - <http://datacenter.kidscount.org/data>

Ready Schools

	Amelia	Buckingham	Charlotte	Cumberland	Lunenburg	Nottoway	Prince Edward
# of elementary schools that have full-day kindergarten programs				2			
Average teacher/child ratio in k-1 classrooms							
% of children with reading proficiency in third grade as measured by the state's proficiency tests (2008-2009)	54%	63%	50%	46%	54%	59%	47%
% of children with reading proficiency in third grade as measured by the state's proficiency tests (2005-2006)	52%	51%	47%	38%	44%	40%	43%

Source: Virginia Department of Education - <https://p1pe.doe.virginia.gov>

ATTACHMENT

B

Additional Demographic Data

Additional Demographics (including Environmental Scan)

	Amelia	Buckingham	Charlotte	Cumberland	Lunenburg	Nottoway	Prince Edward	Virginia
% K-12 Students receiving Special Education Services (in 2006)*	13.4%	12.1%	15.7%	12.5%	15.5%	16.7%	20.3%	14.1%
# of Children receiving TANF, per 1000 children (in 2006)*	35	47	51	45	24	61	52	32
# of Children receiving childcare subsidies (in 2008)*	57	54	57	43	34	108	138	56,554
# / % of People receiving food stamps (in 2008)**	1,211 / 2%	2,198 / 4%	1,865 / 3%	1,480 / 3%	1,804 / 3%	2,309 / 4%	2,650 / 5%	564,142 / 7%
# / % of People receiving food stamps (in 2005)**	1,015 / 2%	1,937 / 4%	1,514 / 3%	1,274 / 3%	1,707 / 3%	2,069 / 4%	2,268 / 5%	494,847 / 7%

Source: *Kids Count Data Center - <http://datacenter.kidscount.org/data>
 **Governor's Office for Substance Abuse Prevention - <http://www.data.gosap.governor.virginia.gov>

	Amelia	Buckingham	Charlotte	Cumberland	Lunenburg	Nottoway	Prince Edward	Virginia
% Non-Marital Birth Rate (in 2007)	36%	51%	45%	39%	47%	52%	51%	35%
% Non-Marital Birth Rate (in 2005)	35%	43%	46%	49%	45%	44%	52%	

Source: Kids Count Data Center - <http://datacenter.kidscount.org/data>

	Amelia	Buckingham	Charlotte	Cumberland	Lunenburg	Nottoway	Prince Edward	Virginia
2009 On-Time High School Graduation Rate	83.2%	72.2%	86.0%	75.3%	79.0%	80.4%	78.3%	83.2%
2008 On-Time High School Graduation Rate	80.7%	68.8%	84.4%	93.9%	73.7%	76.8%	79.5%	

Source: Kids Count Data Center - <http://datacenter.kidscount.org/data>

	Amelia	Buckingham	Charlotte	Cumberland	Lunenburg	Nottoway	Prince Edward	Virginia
% Juvenile Intake Cases (in 2006)	10%	15%	14%	16%	20%	11%	21%	14%

Source: Kids Count Data Center - <http://datacenter.kidscount.org/data>

Population by Age	Amelia	Buckingham	Charlotte	Cumberland	Lunenburg	Nottoway	Prince Edward
2007 Population under age 1*	160	161	151	117	150	184	203
2007 Population ages 1 to 4*	616	617	569	470	548	706	832
Total 2007 Population ages 0 to 4*	776	778	720	587	698	890	1,035
Total 2008 Population ages 0 to 4	783	785	697	578	695	888	1,054
Total 2008 Population ages 5 to 9	804	716	703	590	566	859	1,072
Total 2008 Population ages 10 to 14	799	857	721	603	614	896	1,066

Total 2008 Population ages 15 to 19	758	1,000	807	610	746	913	2,881
Total 2008 Population ages 20 to 29	1,747	2,450	1,542	1,303	1,863	2,283	4,788
Total 2008 Population ages 30 to 39	1,653	2,413	1,432	1,239	1,665	2,155	2,376
Total 2008 Population ages 40 to 49	1,915	2,520	1,645	1,452	1,869	2,246	2,422
Total 2008 Population ages 50 to 59	1,798	2,161	1,698	1,192	1,818	2,013	2,275
Total 2008 Population ages 60 to 69	1,315	1,555	1,316	1,038	1,368	1,557	1,633
Total 2008 Population age 70+	1,236	1,520	1,687	1,065	1,737	2,082	2,256
Total 2008 Population all age groups	12,808	15,977	12,248	9,670	12,941	15,892	21,823
2008 % Female Population	50.4%	44.6%	51.9%	51.9%	46.7%	47.6%	50.3%
2008 % Male Population	49.6%	55.4%	48.1%	48.1%	53.3%	52.4%	49.7%
Total 2000 Population all age groups	11,478	15,613	12,465	8,998	13,093	15,751	19,695

Source: * Kids Count Data Center - <http://datacenter.kidscount.org/data>
Virginia Economic Development Partnership, Community Profiles - <http://viriniascan.yesvirginia.org>

2008 Race/Ethnicity Classification	Amelia	Buckingham	Charlotte	Cumberland	Lunenburg	Nottoway	Prince Edward
White	9,661	9,867	8,302	6,190	7,991	9,337	13,881
Black	2,997	5,861	3,807	3,283	4,714	6,343	7,471
Asian	24	34	100	111	156	60	242
Two or More Races	89	177	20	65	29	122	161
American Indian or	35	37	19	21	45	22	41

Alaska Native								
Pacific Islander	2	1	0	0	6	8	27	
Hispanic (may be of any race)	157	175	259	234	434	461	249	

Source: Virginia Economic Development Partnership, Community Profiles - <http://virginiascan.vesvirginia.org>

	Amelia	Buckingham	Charlotte	Cumberland	Lunenburg	Nottoway	Prince Edward	Virginia	U.S.
2007 Per Capita Personal Income (PCPI)*	\$32,228	\$22,317	\$23,814	\$26,151	\$22,379	\$27,417	\$20,703	\$44,224* 2008 State Average	\$40,200 National Average
PCPI State Rank (1-105, with 105 having the lowest PCPI)*	47	102	95	82	101	73	105		
2008 Estimated Median Household Income**	\$52,804	\$39,200	\$37,950	\$41,737	\$36,599	\$40,491	\$41,062	\$61,233	
1999 Estimated Median Household Income**	\$40,252	\$29,882	\$28,929	\$31,816	\$27,899	\$30,866	\$31,301		

Source: * Bureau of Economic Analysis - <http://bea.gov>

** City-Data website - <http://www.city-data.com/>

* The Commonwealth of Virginia has 95 counties, however, the Bureau of Economic Analysis includes cities and metropolitan service areas in their database and lists Virginia as having 105 counties. Five of the seven counties of Virginia's Heartland fall within the lowest 10% of Per Capita Personal Income (PCPI) in the state.

2008 Family Households	Amelia	Buckingham	Charlotte	Cumberland	Lunenburg	Nottoway	Prince Edward
2-persons	1,301	1,684	1,575	1,043	1,585	1,764	1,881
3-persons	807	903	818	628	844	985	1,059
4-persons	622	702	635	462	602	732	798
5-persons	291	283	260	186	243	281	375
6-persons	91	82	93	99	118	128	104
7-or-more-persons	68	88	68	64	27	63	89

Source: City-Data website - <http://www.city-data.com/>

2000	Amelia	Buckingham	Charlotte	Cumberland	Lunenburg	Nottoway	Prince Edward
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Owner-occupied Houses & Condos	3,474	4,144	3,840	2,722	3,884	4,016	4,489
Renter-occupied Apartments	766	1,180	1,111	806	1,114	1,648	2,072
Vacant Housing Units	369	966	783	557	738	709	966

Source: U.S. Census Bureau - <http://factfinder.census.gov>

	Amelia	Buckingham	Charlotte	Cumberland	Lunenburg	Nottoway	Prince Edward
Average # of business establishments (2nd Qtr. 2009)	310	316	279	171	253	351	591
Average Employment All Industries within County (2nd Qtr. 2009)	2,541	3,182	2,775	1,326	2,565	5,581	8,750
Average Weekly Wage All Industries within County (2nd Qtr. 2009)	\$580	\$610	\$511	\$518	\$564	\$563	\$571

Source: Virginia Workforce Connection - <http://www.vawc.virginia.gov/analyzer/default.asp?>

December 2009 (not seasonally adjusted)	Amelia	Buckingham	Charlotte	Cumberland	Lunenburg	Nottoway	Prince Edward	VA	U.S.
Civilian Labor Force	6,532	7,308	5,482	4,573	5,503	6,438	9,745		
Employment	6,073	6,661	4,979	4,230	4,953	5,903	8,900		
Unemployment	459	647	503	343	550	535	845		
Unemployment %	7%	8.9%	9.2%	7.5%	10%	8.3%	8.7%	6.7%	9.7%

Source: Virginia Workforce Connection - <http://www.vawc.virginia.gov/analyzer/default.asp?>

Conclusion

This needs assessment was prepared to help clarify what we know about the early years and the needs and strengths of the children, families, educators and communities in the Heartland region of Virginia. As the Smart Beginnings Heartland moves forward in the development of their strategic plan, additional information from parents, physicians, school administrators and others who directly impact the lives of area children may need to be obtained for a broader picture of the services and resources for children ages 0 – 5. The Heartland has a number of assets on which to draw. Partnerships will need to be established, existing work will need to be strengthened, systems will need to be revised, and new initiatives and programs will need to be developed as a long-term movement is built on behalf of children that benefits the entire region

County Statistics

Poverty, Travel, Housing Statistics

Locality	Poverty Rate, Individuals	Poverty Rate, Families	Occupied Housing Units With No Vehicle	Households Without Complete Plumbing
Amelia Co.	10.1%	8.5%	3.3%	2.9%
Buckingham Co.	24.7%	17.0%	8.9%	7.1%
Cumberland Co.	14.4%	7.8%	6.5%	3.7%
Lunenburg Co.	22.4%	17.6%	8.2%	10.3%
Nottoway Co.	16.8%	12.7%	11.9%	4.1%
Prince Edward Co.	19.7%	14.8%	8.2%	7.1%

Source: U.S. Census Bureau, American Community Survey

Educational Attainment – Population 18 to 24

Locality	Less than High School Graduate	High School Graduate or Equivalent	Some College or Associates Degree	Bachelor's Degree or Higher
Amelia Co.	18.4%	40.6%	39.1%	1.9%
Buckingham Co.	18.6%	52.9%	15.9%	12.6%
Cumberland Co.	18.0%	49.3%	26.6%	6.1%
Lunenburg Co.	26.2%	37.3%	29.6%	6.9%
Nottoway Co.	26.1%	36.6%	36.9%	0.5%
Prince Edward Co.	7.1%	23.8%	66.7%	2.3%

Source: U.S. Census Bureau, American Community Survey

Educational Attainment – Population 25 and older

Locality	Less than High School Graduate	High School Graduate or Equivalent	Some College or Associates Degree	Bachelor's Degree or Higher
Amelia Co.	20.4%	38.6%	26.5%	14.4%
Buckingham Co.	28.8%	39.0%	18.5%	13.7%
Cumberland Co.	22.9%	39.1%	23.0%	15.0%
Lunenburg Co.	30.5%	35.6%	23.5%	10.4%
Nottoway Co.	26.6%	38.0%	24.2%	11.2%
Prince Edward Co.	19.2%	39.2%	20.9%	20.7%

Source: U.S. Census Bureau, American Community Survey

Households Receiving SNAP Benefits or Other Public Assistance

Locality	Percent
Amelia Co.	10.9%
Buckingham Co.	19.3%
Cumberland Co.	20.5%
Lunenburg Co.	19.3%
Nottoway Co.	19.6%
Prince Edward Co.	12.6%

Source: U.S. Census Bureau American Community Survey

Children Eligible for Free/Reduced Price School Lunches , 2013 – 2014 School Year

Locality	Percent
Amelia Co.	48.7%
Buckingham Co.	69.0%
Cumberland Co.	66.5%
Lunenburg Co.	68.9%
Nottoway Co.	64.3%
Prince Edward Co.	69.3%

Source: Virginia Dept. of Education

LMI Population 2014 Estimates

Locality	Percent
Amelia Co.	49.2%
Buckingham Co.	46.2%
Cumberland Co.	61.2%
Lunenburg Co.	48.1%
Nottoway Co.	44.0%
Prince Edward Co.	45.0%

Source: HUD

Percent of People Lacking Basic Prose Literacy Skills, 2003

Locality	Percent
Amelia Co.	15.0%
Buckingham Co.	22.0%
Cumberland Co.	18.0%
Lunenburg Co.	20.0%
Nottoway Co.	20.0%
Prince Edward Co.	16.0%

NOTES:

- Percentages based on population 16 and older in 2003.
- Include those who scored *Below Basic* in prose and those who could not be tested due to language barriers

Source: U.S. Department of Education, Institute of Education Sciences, National Center for Education Statistics

NOTE: Percentages are rounded in some cases.

APPENDIX B

Staffing Information Includes:

CURRENT ORGANIZATIONAL CHART AND POSITIONS:

- President and CEO – Job Description and Resume
- Vice President of Administration and Compliance – Job Description and Resume
- Vice President of Financial and Community Development – Job Description and Resume
- Vice President of Employment Services and Business Operations – Job Description – Position is currently vacant
- Case Manager – Job Description and Resume
- Housing Manager – Job Description and Resume
- Bookkeeper – Job Description and Resume

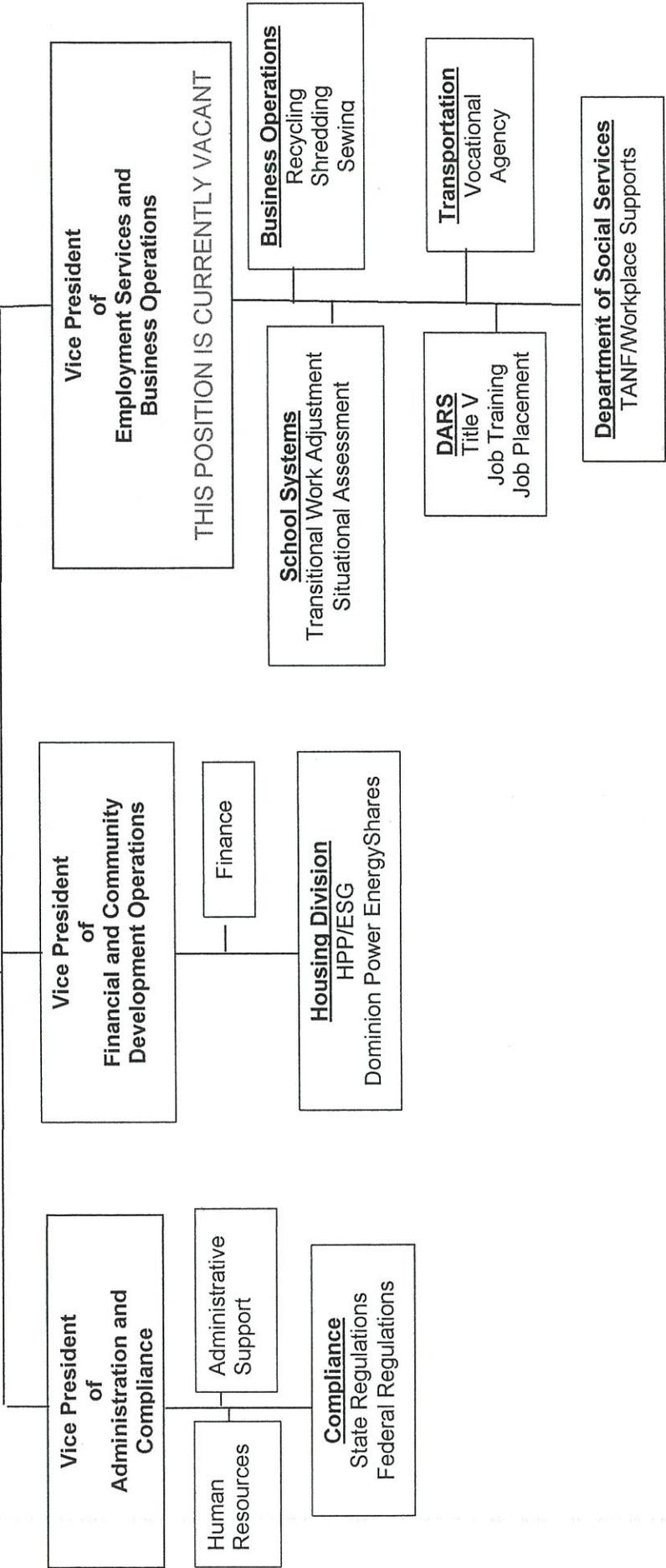
STRATEGIC ORGANIZATIONAL CHART AND POSITIONS:

- Chief Administrative Officer (CAO) – Job Description
- Chief Operating Officer (COO) – Job Description
- Chief Financial Officer (CFO) – Job Description
- Planning Coordinator – Job Description
- Proposed Program Positions – Summary of respective functions. Complete Job Descriptions will be completed once Community Action status is achieved.

Board of Directors

President & Chief Executive Officer

Executive Leadership Team
Vice President of Administration and Compliance
Vice President of Financial and Community Development Operations
Vice President of Employment Services and Business Operations



JOB DESCRIPTION

PRESIDENT AND CHIEF EXECUTIVE OFFICER

PRINCIPAL RESPONSIBILITIES:

1. Manage the corporation in the accomplishment of its goals under the direction of the Board of Directors.
2. Provide administrative direction to the employees in fulfilling the purposes of the corporation.
3. Provide a liaison between the corporation and the various constituencies it serves.

DUTIES:

1. Assist the Board of Directors in the development of policies to govern the day-to-day operations of the corporation.
2. Recruit, select and evaluate all management staff; provide for staff supervision; promote and dismiss staff as appropriate; develop staff training programs; develop staffing patterns, job descriptions and salary structures; report to the board regarding personnel activities.
3. Establish adequate financial controls; monitor the financial condition of the corporation on a daily basis; prepare proposed budgets for board approval; incur expenses in accordance with the approved budget or as directed by the board; present the board with monthly analysis and reports of financial condition; take an annual inventory of the assets of the corporation; obtain supplementary grants and other forms of monetary support; report to funding agencies as required and agreed upon by the board; provide auditing firm with the information needed to conduct an annual independent audit of the corporation's finances.
4. Oversee the development, operation and evaluation of the rehabilitation/employment programs; supervise the recruitment of participants for the corporation's programs and monitor the orientation of new participants; coordinate support services needed for participant rehabilitation; provide for the development of suitable placement opportunities for participants; insure adequate follow-up of participants placed in competitive employment; maintain adequate records on all participants; present periodic reports to the board detailing program activity and accomplishments.
5. Insure the availability and appropriateness of contracts. Follow all relevant laws and regulations in the development of contract proposals and payment of participants; maintain quality control and timely deliveries of products; review and update contracts and wages as appropriate and required; provide for materials, supplies, space and equipment needed to complete contracts; keep the board informed about the type and level of work being performed.
6. Provide for the proper maintenance and upkeep of the physical plants, vehicles and equipment; provide a safe environment for participants and employees; remain current on safety laws and regulations affecting the work environment; provide first aid training for employees; conduct training in emergency evacuation procedures, fire suppression, and emergency assistance procedures for employees and participants as appropriate.

7. Communicate with the Board of Directors on a timely basis regarding board meetings, meetings of the Executive Committee, standing committees and ad hoc committees; be present at all meetings of the Board of Directors and also as an ex officio member without a vote at meetings of the Executive Committee, standing committees, and ad hoc committees except when the Chief Executive Officer's professional or personnel status is being considered; provide for the recording and distribution of all committee meeting minutes; assist the Secretary of the Board of Directors in recording and making minutes of the board meetings available to board members; give orientation to new board members regarding the operations of the corporation.
8. Maintain communication with funding sources and program purchasers including negotiating contracts and agreements; be a liaison with municipal, state and federal government agencies; participate in community affairs through membership, attendance and availability for speaking engagements concerning the corporation; establish and maintain good public relations with local civic organizations, industry and service organizations; prepare informational material on the corporation's program and operation and public release; develop opportunities for informing the public about the corporation and its operations.
9. Keep abreast of rehabilitation developments locally and nationally; participate in rehabilitation related conferences and programs as appropriate; maintain contact with rehabilitation professionals through regional, state and national associations; maintain current knowledge of national and/or state accreditation standards; prepare corporation for initial accreditation; maintain required accreditation standards.
10. Perform other duties as directed by the Board of Directors.

MINIMUM EDUCATION: Prefer Master's Degree in human services or education with business training. Will accept bachelor's degree with two years experience beyond minimum requirements.

MINIMUM EXPERIENCE: At least 3 years in an administrative capacity preferably in a rehabilitation or educational facility; prior experience in working with adults with disabilities is desirable.

PHYSICAL DEMANDS OF THE ESSENTIAL FUNCTIONS:

1. Skill in writing/reading.
2. Skill in mathematics.
3. Must be able to move safely about work area.
4. Must be authorized for coverage under agency insurance if operating agency vehicle, have good driving record, valid Virginia driver's license, and/or required level of personal auto insurance.

EMOTIONAL DEMANDS OF THE ESSENTIAL FUNCTIONS:

1. Must be able to change routine in a positive manner.
2. Must be able to follow through on assignments independently.

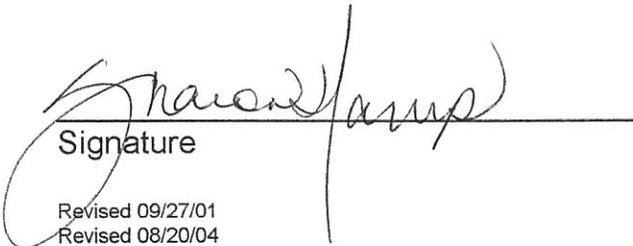
3. Must have good organizational skills.
4. Work output must be at a competitive level.
5. Must be able to solve problems as they arise.
6. Must have stable work behaviors on a daily basis.
7. Must have adequate individual coping skills.
8. Must be able to maintain good work attendance.
9. Must be able to participate in decision making.
10. Must be able to respond appropriately to emergency situations.
11. Must be able to exercise good judgment in an effort to maintain a safe work environment.

CONFIDENTIALITY STATEMENT

I acknowledge the receipt of a copy of STEPS Employee Handbook.

I understand that persons receiving STEPS services (participants) are protected by a code of Human Rights. I further understand that I am not to discuss issues concerning STEPS participants as this information is confidential and cannot be released per state law. I am also aware that violation of participants' rights, which includes breach of confidentiality, will result in my services no longer being needed by STEPS.

I understand the responsibilities of this position and am capable of performing the physical and emotional demands required.


Signature

10-23-06
Date

Revised 09/27/01
Revised 08/20/04
Revised 09/16/04
Revised 10/23/06

Sharon Louise Harrup

321 Virginia Lee Boulevard
Blackstone, VA 23824
(434) 292-4001
sharrup@embarqmail.com

EDUCATION

Master of Science Degree, College and Community Counseling
Longwood College, Farmville, VA
May 12, 1990

Master of Social Work
Virginia Commonwealth University, Richmond, VA
Eighteen hours completed

Bachelor of Science Degree, Therapeutic Recreation
Longwood College, Farmville, VA
May 15, 1982

WORK EXPERIENCE

STEPS, Inc. (Southside Training, Employment and Placement Services, Inc)

Farmville, VA - Chief Executive Officer - August, 1990 – present

Duties: Responsible for the management of the corporation under the direction of the Board of Directors; develop and maintain collaborative relationships with local, state and federal government elected officials; recruit, hire and provide administrative direction to all staff; establish an annual budget and oversee all fiscal operations; develop and monitor all rehabilitation and production facts of the operation while focusing on Total Quality Management; market, procure and price contract work, focusing on opportunities available within the Department of Defense and other federal agencies in addition to State and commercial opportunities; public relation activities for the purpose of increasing public awareness and community support.

Crossroads Community Services Board – Farmville, VA – Positions held: Coordinator of Mental Retardation Services; Emergency Services Worker; Coordinator of Supported Employment Services; Day Support Program Manager; Day Support Instructor – August, 1983 – August, 1990

Southside Virginia Community College – Alberta, VA –
Adjunct Faculty (Lecturer II) – Fall, 1986 – Fall, 1989

Walnut Hill Convalescent Center – Petersburg, VA – Director of Activities and Volunteer Services – June, 1982 – August, 1983

Longwood College – Farmville, VA – Resident Assistant – August, 1979 – December, 1980

Union Camp Corporation – Franklin, VA – Clerk Typist – Summers and college breaks, 1978 – 1982

PROFESSIONAL MEMBERSHIPS

Member of the National Rehabilitation Association
Member of the Virginia Rehabilitation Association
Member of the Secure Document Alliance
Member of vaACCSES (trade association)
Blackstone Chamber of Commerce
Farmville Chamber of Commerce
Lunenburg Chamber of Commerce

BOARD MEMBERSHIPS

Genedge Alliance (formerly VPMEP -Virginia's A.L. Philpott Manufacturing Extension Partnership)
Longwood University College of Business and Economics Corporate Advisory Board
Centra Health System Board of Directors
South Central Workforce Investment Board (Executive Committee)
Department of Rehabilitative Services – Employment Services Advisory Council

AWARDS and HONORS

Recipient of the 2005 R.N. Anderson Award for Leadership from the
Virginia Rehabilitation Association

Recipient of the 1996 National Rehabilitation Association,
Mid-Atlantic Region Administration Award

Who's Who Among Students in American Universities and Colleges

National Register of Outstanding College Graduates

International Youth in Achievement

Longwood College Student Government Association – President, Treasurer, Representative

Geist – Leadership Honorary (Longwood College)

CHI

Delta Psi Kappa – Health, Physical Education, Recreation and Dance National Honorary

JOB DESCRIPTION

VICE PRESIDENT OF ADMINISTRATION AND COMPLIANCE

As this position may be the first introduction to STEPS the general public may have, it is imperative that the individual filling this position recognize the essential role he/she plays in the success of this organization. This position is responsible to and supervised by the Chief Executive Officer.

DUTIES:

1. Responsible for maintaining personnel files in accordance with federal, state and CARF accreditation mandates.
2. Responsible for updating production time studies for the processing of payroll.
3. Responsible for maintaining accrued leave records and for distributing this information to each person on an as requested basis.
4. Responsible for tracking annual performance evaluation dates and for notifying responsible supervisor at least one month prior to required date.
5. Responsible for reporting work place accidents to the Worker's Compensation Commission and processing paperwork accordingly.
6. Responsible for compiling information for Worker's Compensation Audits.
7. Responsible for signing checks and processing accordingly.
8. Responsible for developing long and short range goals for implementation of training programs; conducts needs assessment to determine company training needs and evaluates training programs for effectiveness.
9. Responsible for serving as Safety Coordinator for the STEPS organization.
10. Responsible for viewing all interview materials and monitoring hiring practices to ensure supervisors are selecting or rejecting applicants in conformance with legal requirements, particularly EEO guidelines and company policy.
11. Responsible for interpreting policies and procedures pertaining to federal and state labor and employment law guidelines and determining employee eligibility under these laws (Americans with Disabilities Act and Family and Medical Leave Act).
12. Responsible for examining and drafting corporate policies to ensure federal and state compliance.
13. Responsible for compiling and submitting EEO statistical reports.
14. Responsible for developing and implementing personnel programs and policies.
15. Responsible for collecting and examining detailed information about job duties to prepare job descriptions.
16. Responsible for conducting surveys to see how our rates compare with others and to see that the company's pay scale complies with changing laws and regulations.
17. Responsible for handling the company's employee benefits program and ensure that benefit options are adequately explained to all employees.
18. Responsible for managing the Employee Rewards and Recognition Program.
19. Responsible for managing/coordinating company's drug testing program and ensuring the proper chain of custody of test samples and maintaining sensitive, confidential records. Proposing policy/procedures changes as needed.
20. Responsible for investigating charges filed against the company through the Equal

- Employment Opportunity Commission (EEOC) and the Office of Federal Contract Compliance Programs (OFCCP). Documenting the company's position and recommending resolutions to the Chief Executive Officer.
21. Responsible for investigating complaints or discrimination or sexual harassment brought through internal complaint procedures and recommending resolutions to the Chief Executive Officer.
 22. Responsible for performing other duties as assigned by the Chief Executive Officer.

QUALIFICATIONS: Any combination of knowledge, skill, and ability needed to complete the assigned tasks. Bachelor's degree required and prefer individual with human resource training beyond high school. Combination of education and related work experience will be considered.

PHYSICAL DEMANDS OF THE ESSENTIAL FUNCTIONS:

1. Skill in communicating in spoken conversation – adequate volume speech.
2. Skill in writing/reading.
3. Skill in mathematics.
4. Normal hearing required for conversation, telephone use, and emergency information systems.
5. Visual acuity, depth perception, and field of vision with normal range.
6. Must be able to move safely about work area.
7. Must be able to lift up to 10 lbs. an average of 3 times per day.
8. Must be able to reach below shoulders.
9. Must be able to reach above shoulders.
10. Must be able to bend/squat/twist/kneel occasionally.
11. Must be able to turn head 180 degrees occasionally.
12. Must be authorized for coverage under agency insurance if operating agency vehicle, have good driving record, valid Virginia driver's license, and/or required level of personal auto insurance.
13. Must have the physical stamina to work at least 4 hours per day.

EMOTIONAL DEMANDS OF THE ESSENTIAL FUNCTIONS:

1. Must be able to change routine in a positive manner.
2. Must be able to follow through on assignments independently.
3. Must have good organizational skills.
4. Work output must be at a competitive level.
5. Must be able to solve problems as they arise.
6. Must have stable work behaviors on a daily basis.
7. Must have adequate individual coping skills.
8. Must be able to maintain good work attendance.
9. Must be able to participate in decision making.
10. Must be able to respond appropriately to emergency situations.
11. Must be able to exercise good judgment in an effort to maintain a safe work environment.

CONFIDENTIALITY STATEMENT

I acknowledge the receipt of a copy of STEPS' Employee Handbook.

I understand that persons receiving STEPS services (participants) are protected by a code of Human Rights. I further understand that I am not to discuss issues concerning STEPS participants as this information is confidential and cannot be released per state law. I am also aware that violation of participants' rights, which includes breach of confidentiality, will result in my services no longer being needed by STEPS.

I understand the responsibilities of this position and am capable of performing the physical and emotional demands required.

Cynthia A. Saunders
Signature

07-01-2012
Date

07/01/2012

Cynthia A. Saunders

**P. O. Box 906
65 Silver Windmill Lane
Dillwyn, VA 23936
(434) 574-2992**

EDUCATION

Norfolk State University, Norfolk, VA 23504
Bachelor of Science Degree in Office Administration
May 1984

WORK EXPERIENCE

STEPS, Inc. – 225 Industrial Park Road, Farmville, VA 23901

June 2004 – present – Vice President of Administration and Compliance
Duties: Develops long and short range goals for implementation of training programs; conducts needs assessment to determine company training needs and evaluates training programs for effectiveness. Drafts and implements corporate policies to ensure federal and state compliance. Monitors hiring and terminating practices to ensure conformance with legal requirements. Serves as Safety Coordinator for the organization.

June 2000 – October 2004 – Administrative Assistant

Duties: Serve as the corporation's personnel director ensuring compliance with all federal, state and local regulations. Serve as the clerk to the Management Team through the completion of meeting minutes and notices. Recording secretary to the Board of Directors. Responsible for donation acknowledgements and maintaining current status for the Neighborhood Assistance Program and United Way Agencies. Completion of time studies for production operations. Serve as a personal assistant to the Executive Director.

July 1985 – June 2000 – Office Manager

Duties: Coordination of all activities occurring in the Main Office – including greeting guests/customers, overseeing accounts payable, receivable and payroll. Responsible for making bank deposits, reconciling checking accounts, and for producing monthly and quarterly financial statements for the Executive Director and Board of Directors. Responsible for all shipping (UPS, RPS, Freight) and the monitoring and ordering of equipment and supplies. Responsible for the supervision of office personnel.

JOB DESCRIPTION

VICE PRESIDENT OF FINANCIAL AND COMMUNITY DEVELOPMENT OPERATIONS

This position plays a vital role in the organization, as he/she is responsible for the overall financial reporting for the entire organization. This position supervises all financial and community development staff and is responsible to and supervised by the Chief Executive Officer.

DUTIES:

1. Responsible for providing supervision and over-site of the Homeless (HHP & ESG) DHCD Programs.
2. Responsible for providing supervision and over-site of the Dominion Power EngeryShare Program.
3. Responsible for providing supervision and over-site of the organization's payroll, accounts receivable, accounts payable and general ledger.
4. Responsible for coordinating efforts for organization expansion into additional housing and other programs.
5. Responsible for coordinating the organization's IT systems.
6. Responsible for the over-site of the organization's purchasing.
7. Responsible for organization's financial reporting to funders.
8. Responsible for coordinating employee certification, development and training in the housing programs.
9. Responsible for developing resources with vendors/contractors in the local area.
10. Responsible for the over-site of the organization's financial monitoring and annual audit process.
11. Responsible for participation in community efforts including Heartland Local Planning Group (HLPG), Balance of State Continuum of Care and other not-for-profit roundtables.
12. Responsible for performing other duties as assigned by the Chief Executive Officer.

QUALIFICATIONS: A Bachelor's degree in a business/accounting curriculum is required with at least 5 years of experience. Must be proficient in all aspects of computer operations including Microsoft Office application, Excel, Word, Access and computer networking. Consideration will be given to a combination of knowledge, skills, and abilities needed to complete the assigned tasks.

PHYSICAL DEMANDS OF THE ESSENTIAL FUNCTIONS:

1. Skill in communicating in spoken conversation – adequate volume speech.
2. Skill in writing/reading.
3. Skill in mathematics.
4. Normal hearing required for conversation, telephone use, and emergency information systems.
5. Visual acuity, depth perception, and field of vision with normal range.
6. Must be able to move safely about work area.

7. Must be authorized for coverage under agency insurance if operating agency vehicle, have good driving record, valid Virginia driver's license, and/or required level of personal auto insurance.
8. Must have the physical stamina to work at least 8 hours per day.

EMOTIONAL DEMANDS OF THE ESSENTIAL FUNCTIONS:

1. Must be able to change routine in a positive manner.
2. Must be able to follow through on assignments independently.
3. Must have good organizational skills.
4. Work output must be at a competitive level.
5. Must be able to solve problems as they arise.
6. Must have stable work behaviors on a daily basis.
7. Must have adequate individual coping skills.
8. Must be able to maintain good work attendance.
9. Must be able to participate in decision making.
10. Must be able to respond appropriately to emergency situations.
11. Must be able to exercise good judgment in an effort to maintain a safe work environment.

CONFIDENTIALITY STATEMENT

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I understand the responsibilities of this position and am capable of performing the physical and emotional demands required.



Signature

4-1-2014

Date

P.O. Box 121
6 Fitzgerald Road
Cumberland, Virginia 23040

(804) 492-4360 (home)
(434) 390-1958 (cell)
(434) 315-5909 (work)
pgrossman1@verizon.net (H)
pgrossman@STEPS-inc.org (W)

Paul Grossman

Objective

Innovative and detail goal oriented Manager/CFO/CEO with over 35 years of experience in project development and operations, program and grant development, personnel management (1 to 125 people), group insurance administration, budgeting/accounting/payroll, and marketing, is seeking a challenging creative opportunity in a government or non-profit environment that is focused on providing economic development and human services in a rural community environment.

Experience

12/13---Present STEPS, Inc. Farmville, Virginia

Vice President of Financial and Community Development Operations

- Provide supervision and over-site of the Homeless (HPP & ESG) DHCD Programs
- Provide supervision and over-site of the Dominion Power EnergyShare Program
- Provide supervision and over-site of corporation payroll, A/P, A/R, G/L
- Coordinate IT area
- Coordinate efforts for agency expansion into additional housing and other programs
- Over-site of agency purchasing
- Responsible for agency financial reporting to funders
- Coordinate employee certifications, development, and training in the housing programs
- Develop resources with vendors/contractors in the local area
- Over-site of agency financial monitoring and annual audit process
- Participation in community efforts including Heartland Local Planning Group (HLPG) Balance of State Continuum of Care and other not-for-profit roundtables

03/07---12/08 Richmond Community Action Agency Richmond, VA

Assistant Vice President of Finance

- Supervised Finance Department (Hands on)
- Administered Indoor Plumbing Housing Program
- Installed new accounting software
- Supervised Adult Services Programs including emergency services
- Supervised Food Buying coop
- Coordinated satellite facilities
- Supervised Building and Grounds

09/01—03/07 Powhatan-Goochland Community Action Agency

Chief Financial Officer/Transportation Coordinator/Senior Citizens Coordinator/IT Coordinator

(Interim Executive Director for 7 months)

- Corrected problems found during previous years audits
- Revised budgeting and financial reporting processes
- Revised financial policies and procedures and Personnel Handbook
- Prepared payroll and tax reports
- Managed building and grounds maintenance
- Maintained computer network
- Purchased supplies/equipment/services
- Prepared all agency budgets and expenditure reports
- Prepared all federal, state, foundation, and private funding applications including applications for the Department of Housing and Community Development and Community Services Block Grant
- Insurance group administrator
- Coordinated 5 "clean" audited fiscal years
- Developed and maintained transportation system for seniors and adults with disabilities

9/96—8/01 Mobile Data Solutions Incorporated Itasca, IL

Project Manager

- Completed over \$6.25 million in revenue receipts
- Computerized projects (Utility Companies) covering over six states.
- Implemented training course for new users — speeding up profitability.
- Completed needs assessments for large utility companies

2/91—8/96 City of Richmond DPU Richmond, VA

Administrative Maintenance Supervisor/Project Management

- Improved coordination and cooperation between city departments.
- Provided planning, design, implementation, testing, and training for automation projects
- Implemented automated dispatching/field service project \$2M.
- Trained in Total Quality Management (TQM)
- Assisted with the development of the capital and operating utility city budget

3/89—2/91

Administrative Officer City of Richmond DPU Richmond, VA

- Project Management to replace over 100,000 city gas and water meters \$3M
- Streamlined procedures in the purchasing and secretarial department
- Revised procedures to track movement of 150,000 city meters to provide cost saving measures
- Supervised purchasing including developing specifications of inventory

6/88-3/89

Accountant Deal & Rochkind, PC Richmond, VA

- Expanded customer base through economic development efforts
- Improved company communication with customers
- Reduced tax filing time by 15% for clients

2/85—5/88

Director Administrative Services Central VA Community Health Center

- Reduced past due receivables of \$250,000 by 75% within six months
- Reorganized accounting department resulting in the elimination of a three month billing cycle delay
- Improved facility appearance which resulted in a patient load increase of 20%
- Prepared Medicaid/Medicare/Blue Cross Cost reports
- Supervised accounting, insurance, purchasing, transportation, facility maintenance, patient front desk, IT department, data entry departments
- Initiated "Pegasus" service (Emergency medical helicopter service)

3/79—2/85

Finance Officer Central Piedmont Action Agency, Inc. Cumberland, VA

- Provided financial and program over-sit of the weatherization program
- Resolved a three year backlog of audit discrepancies saving \$125,000
- Monitored over \$8M in new budgets with no discrepancy in the fund distribution
- Assisted in grant writing resulting in the rural CVT Bus system and the Willow Oak Alcohol Rehabilitation Center among others such as Manpower Programs, Head Start and Day Care programs
- Directed staff of 5 bookkeepers

7/74—3/79

Dir. Early Childhood Programs CPAC Cumberland, VA

- Grant writing resulted in the first Head Start program in Prince Edward County
- Implemented lesson plans, IEP's, and child evaluations in the classroom
- Prepared the first CDA (Child Development Associate) candidates for assessment
- Directed staff of 35

7/73—6/74

VISTA Central Piedmont Action Council/U.S. Gov. Cumberland, VA

- Community and Economic Development resulting in a sewing coop
- Assisted in housing repairs and renovations
- Provided Day Care classroom activities

Education

1969—1973 Bryant University Smithfield Rhode Island

- B.S. Business Administration and Economics.

1973—2008 Various Seminars, Workshops, Classes

- Weatherization financial and program training at VACAP (Virginia Community Action Partnership)
- Project Management
- Early Childhood Education
- Community Economic Development
- Supervision
- Child Abuse Training
- Accounting for Block Grant & Categorical Grants
- Accounting with Computers

- Purchasing
- Community Economic Development
- Program Planning
- A-133 Auditing
- Financial Statements
- Human Resources
- HIPPA/COBRA
- Department of Hosing and Community Development
- Payroll Management
- Accounting, Financial Reporting & Audit Issues of Non-Profit Organizations

Interests

Sports, reading, carpentry, computers, travel

**Presentations/
Awards**

- Solving Report Problems
- Meeting the Needs (Automated Dispatching)
- Motorola – Project Commitment and Dedication
- City of Richmond – Project Dedication
- Head Start – Volunteer Time
- VISTA – Pre-Service Training

Memberships

Board of Directors of the Powhatan Chamber of Commerce (5 years)
 Board of Directors (Executive Committee) VaCares (5 Years)
 Elderly and Disabled Advisory Committee (EDAC) (Planning District 15)
 Powhatan County Utility Infrastructure and Transportation Committee
 American Management Association
 B'nai B'rith
 Virginia Sheriffs' Institute
 American Institute of Professional Bookkeepers
 Board Member of Cumberland Housing for one year

References

Professional References

Frank Rockwell Executive Director at Powhatan Goochland CAA
Fcr2250@yahoo.com

Ed Fox Project Analyst/Supervisor at Richmond DPU
 3141 Darnley Drive
 Richmond, Virginia 23235
 804-646-7079 (Work)
 804-320-9608 (Home)

Jane Little, CPA Consultant and /CFO peer group member
3206 Kensington Ave
Richmond, VA 23221
804-217-9082

Personal References –contact information provided as requested:

James Keller –President/CEO New Horizon Bank
Henry Hall – Former IT Director American Lung Association
James Southworth – Southworth Auto & Power Equipment
Sandra Ownby – Steel Magnolia Spa
James Baber – Attorney

JOB DESCRIPTION

VICE PRESIDENT OF EMPLOYMENT SERVICES AND BUSINESS OPERATIONS

Responsible for the planning, administration, coordination and evaluation of all employment services offered through the entire organization. This position is designated as the CARF Coordinator. This position supervises all Employment Services staff and is responsible to and supervised by the Chief Executive Officer.

DUTIES:

1. Responsible for the supervision and management of STEPS' Employment Services programs and staff.
2. Responsible for maintaining open communication with referring agencies to facilitate continued collaborative efforts.
3. Responsible for completing and submitting mandated reports on a timely basis.
4. Responsible for attending all agency Management Team meetings.
5. Responsible for ensuring that the Human Rights of each participant is upheld while receiving services from the organization. This position is responsible for training each Employment Services Team member regarding each individual's rights and to monitor for adherence.
6. Responsible for educating the community and prospective program participants about the organization and services provided.
7. Responsible for providing ongoing monitoring to ensure continual compliance with all CARF mandates. Responsible for revising or developing new policies to ensure continued CARF compliance. Responsible for reporting to the Chief Executive Officer any areas of need and plans to meet the specific standard(s) within the specified time frames.
8. Responsible for completing reviews of participant files to ensure all are complete, current, accurate and meet the requirements of all funding/accreditation mandates.
9. Responsible for providing/scheduling in-service training sessions to further enhance the skills of the Employment Services Team and other staff members.
10. Responsible for ensuring that transportation services are provided in a safe, cost effective, and timely manner.
11. Responsible for compiling statistical data regarding participant services.
12. Responsible for ensuring compliance with Department of Labor requirements through the auditing of participant files.
13. Responsible for representing STEPS on community committees as deemed appropriate by the Chief Executive Officer.

14. Responsible for the development and maintenance of the Employment Services Department's Standard Operating Procedures Manual(s).
15. Responsible for chairing the Admissions Committee for facility based services.
16. Responsible for coordinating staffings and assisting participants in the development of vocational goals in coordination with the appropriate supervisory staff, referring agencies, family members, etc.
17. Responsible for ensuring agency policy is followed regarding termination from services. This position will coordinate termination staffings, when appropriate, and will ensure that the participant's file is current and complete.
18. Responsible for ensuring the coordination and completion of all contracted employment services.
19. Responsible for the development of new training programs/services as opportunities are presented.
20. Responsible for counseling participants as needed concerning vocational and personal issues.
21. Responsible for performing other duties as assigned by the Chief Executive Officer.

QUALIFICATIONS: A bachelor's degree in Human Services or a related field is required.

PHYSICAL DEMANDS OF THE ESSENTIAL FUNCTIONS:

1. Skill in communicating in spoken conversation – adequate volume speech.
2. Skill in writing/reading.
3. Skill in mathematics.
4. Normal hearing required for conversation, telephone use, and emergency information systems.
5. Visual acuity, depth perception, and field of vision within normal range.
6. Must be able to move safely about work area.
7. Must be able to lift up to 25 lbs. an average of 2 times per week.
8. Must be able to carry up to 10 lbs. an average of 2 times per week.
9. Must be able to reach below shoulders.
10. Must be able to bend/squat/twist/kneel occasionally.
11. Must be authorized for coverage under agency insurance if operating agency vehicle, have good driving record, valid Virginia driver's license, and/or required level of personal auto insurance.
12. Must be able to physically transfer client from a wheelchair in a safe manner.
13. Must have physical stamina to work at least 8 hours per day.
14. Must be able to tolerate heat and humidity.

EMOTIONAL DEMANDS OF THE ESSENTIAL FUNCTIONS:

1. Must be able to change routine in a positive manner.
2. Must be able to follow through on assignments independently.
3. Must have good organizational skills.
4. Work output must be at a competitive level.
5. Must be able to solve problems as they arise.
6. Must have stable work behaviors on a daily basis.
7. Must have adequate individual coping skills.
8. Must be able to maintain good work attendance.
9. Must be able to participate in decision making.
10. Must be able to respond appropriately to emergency situations.
11. Must be able to exercise good judgment in an effort to maintain a safe work environment.

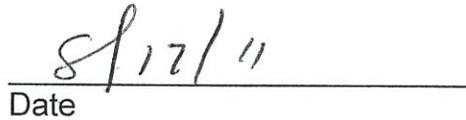
CONFIDENTIALITY STATEMENT

I acknowledge the receipt of a copy of STEPS' Employee Handbook.

I understand that persons receiving STEPS services (participants) are protected by a code of Human Rights. I further understand that I am not to discuss issues concerning STEPS participants as this information is confidential and cannot be released per state law. I am also aware that violation of participants' rights, which includes breach of confidentiality, will result in my services no longer being needed by STEPS.

I understand the responsibilities of this position and am capable of performing the physical and emotional demands required.


Signature


Date

08/20/04
Revised 09/15/04
Revised 10/30/06
Revised 08/16/11

JOB DESCRIPTION

CASE MANAGER

Responsible for the planning, coordination, and implementation of all assigned services offered by STEPS, Inc. This position is supervised by and responsible to the Vice President of Financial and Community Development Operations.

DUTIES:

1. Responsible for providing case management service based on general requirements and program/service specific requirements.
2. Responsible for completing intake, assessment and eligibility services to include explanation of services offered, determination of service needs, and development of service strategy plans.
3. Responsible for maintaining a positive, professional and open relationship with local service agencies.
4. Responsible for insuring that the human rights of each participant are upheld while receiving services from this organization. This position is responsible for training each team member regarding each individual's rights and to monitor for adherence.
5. Responsible for the day-to-day coordination, monitoring, and assurance of completion of all assigned service programs.
6. Responsible for ensuring the development of short and long term training goals, that are measurable, in coordination with the participant and other staff and/or agencies. This position will, in conjunction with other staff, coordinate/perform case staffing and service planning meetings as dictated by the service being provided.
7. Responsible for ensuring that all participant files are complete, current, accurate and meet the requirements of all monitoring agencies.
8. Responsible for ensuring the files are securely maintained.
9. Responsible for counseling participants as needed concerning program and personal issues.
10. Responsible for ensuring agency policy is followed regarding termination of services. This position will ensure the participant file is up to date and all service cessation forms/reports are completed in a timely manner. This position will ensure that all necessary individuals/agencies are informed of the termination and that appropriate information concerning alternate services is provided to the participant.
11. Responsible for educating the community and perspective participants about the organization and services provided.
12. Responsible for training staff/supervisors in proper procedures for instructing participants through the use of documented training methods.
13. Responsible for coordinating the initial one-on-one training for participants assigned to new work areas.
14. Responsible for processing monthly billing.
15. Responsible for performing other duties as assigned by the Vice President of Financial and Community Development Operations.

QUALIFICATIONS: Graduate from an accredited college/university with a degree in Human Services or related field preferred. Experience working in government funded programs preferred. A combination of education/work experience may be substituted. Must have a valid Virginia Driver's License and acceptable driving record. Must pass drug screening and qualify to pass criminal background check. Must be willing/able to work weekends, nights and holidays as needed. Must be organized and able to work independently with little direct supervision.

PHYSICAL DEMANDS OF THE ESSENTIAL FUNCTIONS:

1. Skill in communicating in spoken conversation – adequate volume speech.
2. Skill in writing/reading.
3. Skill in mathematics.
4. Normal hearing required for conversation, telephone use, and emergency information systems.
5. Visual acuity, depth perception, and field of vision within normal range.
6. Accurate color vision.
7. Must be independently mobile on all surfaces and situations.
8. Must be able to move safely about work area.
9. Must be ambulatory on all surfaces and situations.
10. Must be able to lift at least 50 lbs. an average of 20 times per day.
11. Must be able to stand at least 12 hours per day and sit at least 12 hours per day.
12. Must be able to carry up to 35 lbs. an average of 10 times per day.
13. Must be able to push/pull repetitively up to 35 lbs. an average of 10 times per day.
14. Must have bilateral use of hands for repetitive single grasp and release tasks.
15. Must have bilateral use of hands for repetitive fine manipulation.
16. Must have bilateral use of foot/feet for repetitive movement as on operating foot controls.
17. Must be able to reach below shoulders.
18. Must be able to reach above shoulders.
19. Must have full active range of motion for all extremities.
20. Must be able to climb steps, ladder, and ramps frequently.
21. Must be able to bend/squat/twist/kneel frequently.
22. Must be able to turn head 180 degrees frequently.
23. Must be authorized for coverage under agency insurance if operating agency vehicle, have good driving record, valid Virginia driver's license, and/or required level of personal auto insurance.
24. Must be able to perceive size, shapes, and/or textures.
25. Must be able to physically transfer client from a wheelchair in a safe manner.
26. Must have the physical stamina to work at least 12 hours per day.
27. Must be able to tolerate heat and humidity.

EMOTIONAL DEMANDS OF THE ESSENTIAL FUNCTIONS:

1. Must be able to change routine in a positive manner.
2. Must be able to follow through on assignments independently.
3. Must have good organizational skills.
4. Work output must be at a competitive level.

5. Must be able to solve problems as they arise.
6. Must have stable work behaviors on a daily basis.
7. Must have adequate individual coping skills.
8. Must be able to maintain good work attendance.
9. Must be able to participate in decision making.
10. Must be able to respond appropriately to emergency situations.
11. Must be able to exercise good judgment in an effort to maintain a safe work environment.

CONFIDENTIALITY STATEMENT

I acknowledge the receipt of a copy of the Personnel Policies and understand that persons receiving services (participants) at STEPS are protected under these rights. I further understand that I am not to discuss issues concerning STEPS participants working at STEPS as this information is confidential and cannot be released per state law.

I am also aware that violation of participants' rights, which includes breach of confidentiality, will result in my services no longer being needed by STEPS.

Further, I understand the responsibilities of this position and am capable of performing the physical and emotional demands required.


Signature

8-29-2014
Date

02/05/2014
Revised 08/28/2014

1751 Brick House Road

Saxe, Virginia 23967

(434) 454-9388

Teresa S. Toombs

Objective: To obtain a challenging position utilizing my skills and experience

Work Experience:

Case Manager (2000-present)

STEPS Incorporated, Farmville, Virginia

- Provide case management services based on general requirements and program/service specific requirements
- Complete intake, assessment, and eligibility services to include explanation of services offered, determination of service needs, and development of service plans
- Maintain a positive, professional, and open relationship with local service agencies
- Ensure the human rights of each participant are upheld while receiving services from this organization. This position is responsible for training each team member regarding each individual's rights and to monitor for adherence
- Ensure development of short and long term training goals, that are measurable, in coordination with the participant and other staff and/or agencies. This position will, in coordination with other staff, coordinate/perform case staffing and service planning meetings as dictated by the service being provided
- Educating the community and perspective participants about the organization and services provided

Outreach Worker (2000)

Central Piedmont Action Council (CPAC), Cumberland, Virginia

- Recruited low income residents of Charlotte County for program services
- Processed applications and determined eligibility, processed reports
- Networked with local businesses, government, civic groups, and community organizations for

available resources

- Established advisory board

Education:

Bethel Hill High School, Woodsdale, North Carolina

- High School Diploma (1968)

Achievements:

- Employee of the Month (2007-2008)
- Certificate in "Excelling as a Manager or Supervisor" (2006)
- Certificate in "Working with Difficult Clients" (2006)
- Certificate in "Working with Clients with a History of Substance Abuse" (2006)
- CARF Accreditation (2012)

Community Activity Involvement:

- Member of School Advisory Committee
- Teacher's Aide/Substitute Teacher
- Spokesperson/Planner for Community Projects
- Cub Scout Leader
- Youth/Adult Bible School Director
- Community Representative for School Board
- Member of several Task Force Teams
- School Office Clerk volunteer
- Habitat for Humanity Board Member

JOB DESCRIPTION

HOUSING CASE MANAGER

The Housing Case Manager works with families and individuals who have experienced periods of homelessness and/or are experiencing significant risks of homelessness using a housing-first approach, focusing efforts on any areas that directly impact obtaining and maintaining permanent housing, while ensuring the appropriate documentation and reports are completed in a thorough and up-to-date manner. Responsible for the planning, coordination, and implementation of all housing services offered by STEPS, Inc. This position is supervised by and responsible to the Vice President of Financial and Community Development.

DUTIES:

1. Responsible for assisting with determining consumer eligibility for financial assistance and monitoring grant compliance and spending.
2. Responsible for developing, providing, and monitoring individualized service plans (ISPs) with the primary goal of obtaining and maintaining permanent housing. This includes identification of existing barriers to self-sufficiency, setting housing and income goals and developing an action plan in collaboration with other services team members.
3. Responsible for completing HMIS documents and quarterly reports in a timely and accurate manner.
4. Responsible for attending staff meetings and in-service training as needed or necessary.
5. Responsible for providing individual, housing-focused case management for consumers, serving as coordinator of services, providing assessment, referral and follow-up to address any needs that impact housing stability.
6. Responsible for creating, updating, and implementing all facets of weekly and monthly budgeting.
7. Responsible for establishing a good working relationship with other public and private agencies/services, and interfacing collaboratively and establishing ongoing linkages and supports for individual consumers.
8. Responsible for establishing a professional supportive relationship with all consumers.
9. Responsible for ensuring that all consumers understand program guidelines and remain focused on housing stability goals.
10. Responsible for conducting intake interviews including case history and assessment of needs.
11. Responsible for educating family members regarding existing community services, and acting as an advocate in connecting family members to these services.
12. Responsible for assisting consumers with use of community resources, making referrals as needed. Keeping agency files/lists current and updated.
13. Responsible for regularly evaluating activities and accomplishments of consumers with relation to their established goals in order to ensure continued program fulfillment.

14. Responsible for documenting consistently, completing all relevant forms, including intakes, assessments, weekly evaluations, quarterly and monthly statistics, reports, and grant reports.
15. Responsible for ensuring that consumer documentation is in order including assessments, referrals, billing forms, and signed program guidelines.
16. Responsible for accurately completing all required data reporting in accordance with established guidelines.
17. Responsible for participating in all data collection trainings.
18. Responsible for participating in development and fundraising activities as needed and requested (ex: meeting with donors, providing tours, attending fundraising events).
19. Responsible for ensuring that all consumer files are complete, current, accurate and meet the requirements of all monitoring agencies.
20. Responsible for ensuring the files are securely maintained.
21. Responsible for ensuring agency policy is followed regarding termination of services. This position will ensure the consumer file is up to date and all service cessation forms/reports are completed in a timely manner. This position will ensure that all necessary consumers/agencies are informed of the termination and that appropriate information concerning alternate services is provided to the consumer.
22. Responsible for overseeing that financial expenditures are within budget limits.
23. Responsible for performing other duties as assigned by the Vice President of Financial and Community Development.

QUALIFICATIONS: Graduate from an accredited college/university with a degree in Human Services or related field preferred. Experience working in government funded programs preferred. A combination of education/work experience may be substituted. Must have a valid Virginia Driver's License and acceptable driving record. Must pass drug screening and qualify to pass criminal background check. Must be willing/able to work weekends, nights and holidays as needed. Must be organized and able to work independently with little direct supervision.

PHYSICAL DEMANDS OF THE ESSENTIAL FUNCTIONS:

1. Knowledge of crisis intervention and family case management.
2. Knowledge of the various community based family service programs and activities.
3. Knowledge of conflict resolutions strategies.
4. Knowledge of financial counseling and related subjects.
5. Knowledge of basic housing counseling skills and techniques.
6. Knowledge of diversion and targeted prevention procedures.
7. Knowledge of the use of personal computers and standard office software.
8. Effective oral and written communication skills.
9. Ability to accurately track and report data.
10. Ability to maintain meticulous and up-to-date case files.
11. Ability to correctly assess situations within scope of responsibility and to make sound judgments within existing laws, policies and regulations.
12. Ability to establish and maintain effective working relationships with parents, children, co-

- workers and with representatives of other agencies and programs.
13. Ability to plan daily activities to achieve identified goals.
 14. Ability to independently problem-solve and provide guidance to other team members.

EMOTIONAL DEMANDS OF THE ESSENTIAL FUNCTIONS:

1. Must be able to change routine in a positive manner.
2. Must be able to follow through on assignments independently.
3. Must have good organizational skills.
4. Work output must be at a competitive level.
5. Must be able to solve problems as they arise.
6. Must have stable work behaviors on a daily basis.
7. Must have adequate individual coping skills.
8. Must be able to maintain good work attendance.
9. Must be able to participate in decision making.
10. Must be able to respond appropriately to emergency situations.
11. Must be able to exercise good judgment in an effort to maintain a safe work environment.

CONFIDENTIALITY STATEMENT

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Further, I understand the responsibilities of this position and am capable of performing the physical and emotional demands required.


Signature

6/5/14
Date

BRENDA BOWLER

313 High Street , Victoria, VA 23974 | H: 4342943320 | C: 434-294-3320 | bbowler@steps-inc.org

Summary

Resourceful and highly motivated support specialist talented at mastering new skills, processing new information, networking, and relationship development. Focused on situational assessments and work adjustment training of those individuals with disabilities as well as homelessness prevention/rapid rehousing. A team player who maintains a sense of humor under pressure. A former Child Protective Service worker who believes taking a child away from a parent or family should be the last resort, not the first option. A former Adult Protective Services worker who believes strongly in addressing treatment of the elderly as a social issue and responding to reports of elderly abuse or neglect. Casework setting experience includes juvenile and domestic relations court, assisted living facilities, foster homes and residences.

Highlights

- Team player
 - Clean driving record
 - Excellent memory for faces and names
 - Positive attitude
 - Court procedures familiarity
 - Experience working with disabled persons
 - People oriented
 - File/records maintenance
 - Low income and homelessness populations
 - Social services background
-

Accomplishments

Managed a caseload of more than 50 clients at any given time. Assisted more than 50 clients in obtaining education and employment. Received the W.E.B. Dubois award for academic excellence in the field of Sociology. Received the Certificate of Academic Honor from NSU. Graduated in the top 20 of my high school graduating class of 125. A member of the Association of Concerned Sociologists (NSU). Worked with over 20 special education students, grades 10 through 12, for 21/2 years. Obtained ABE certification in 1987 to teach adult basic education. Participated in the implementation of parenting classes during my tenure at Lunenburg County DSS. A member of the Virginia Association of Housing Counselors (VAHC).

Experience

Support Specialist/HPP,ESG, Diversion and Rapid Rehousing Case Manager 10/2011 to Current
STEPS,Inc. Victoria, VA

Responsible for assisting with the implementation of all service related activities necessary to facilitate successful training, employment, and support services for participants. Responsible for assessing, arranging, coordination, and monitoring the delivery of individualized services to facilitate housing stability for program participants residing in permanent housing or to assist a program participant in overcoming immediate barriers to obtaining housing.

Data Entry Clerk 07/2011 to 10/2011
Pearson's Appraisal Services Victoria, VA

Provided the input of real estate, personal property, and business personal property data into the computer after it has been assessed for tax purposes.

- Administrator** 03/2010 to 08/2010
Cralle Manor - Adult Residential Living Facility Kenbridge, VA
Created and maintained all staff and residents records and schedules. Provided maintenance to ensure a clean environment in and around the facility. Occasionally prepared meals for the residents. Supervised the ordering of food and supplies. Supervised the residents and staff, while also establishing a solid foundation for both.
- Social Worker** 09/2008 to 01/2009
United Methodist Family Services/UMFS LaCrosse, VA
Provided social work and case management services to Treatment Foster Care, Adoption, and Family Care clients. Provided a variety of services including intake, assessment, in-home counseling, crisis intervention, referral, report writing, family unification, discharge planning and maintaining files.
- Personal Caregiver** 08/2007 to 08/2008
Lee's Companion Services Kenbridge, VA
Worked as a live-in companion/nursing assistant in a private household for two elderly ladies with chronic diagnosis, including Alzheimer and physical disabilities as a result of an aneurysm as well as a series of strokes. Duties consisted of preparing meals, assisting and supervising baths; administering medication, and providing transportation to medical appointments, shopping and other activities of daily living.
- Social Worker** 06/1992 to 04/2007
Lunenburg County Department of Social Services Lunenburg, VA
Provided information on local agency services and community resources. Identified problems and determined immediate needs such as counseling. Assisted with emergency needs such as food, shelter and other life threatening situations. Provided adult services, foster care and adoptions, employment services, adult and child protective services.
- Counselor/Trainer** 09/1989 to 06/1992
C-PAC - Central Piedmont Action Council Cumberland, VA
Worked as a counselor/trainer in connection with Piedmont Regional Jail staff to provide pre and post release services prior to and upon re-entry of ex-offenders into mainstream society.
- VISTA - Literacy Instructor** 10/1987 to 08/1989
Longwood College - Office Of Continuing Studies Farmville, VA
Worked as a paid literacy instructor serving the county of Nottoway, mainly those at risk of remaining illiterate. Taught adults how to read and write using created lesson plans from research based teaching strategies. Provide classroom activities and developed incentives to keep participants in class. Tutored adult students on an individual basis as well as intimate groups of 2-3 persons.
- Substitute Teacher** 02/1987 to 06/1987
Nottoway County School Board Nottoway, VA
Taught Consumer Math at the 9th through 12th grade level for four consecutive months. Consumer Math is typically offered in high schools and some elementary schools. Consumer Math includes a review of elementary arithmetic, including fractions, decimals, and percentages.
- Loss Prevention - Security Officer** 10/1987 to 02/1987
Ames Department Store Blackstone, VA
Provide surveillance in order to catch and prosecute shoplifters as well as vandalism, cash handling theft, inventory control, and a variety of employee activities in order to minimize the financial losses of a retail operation.
- Internship** 05/1986 to 08/1986
Norfolk Juvenile & Domestic Relations Court Norfolk, VA
Completed 480 hours including a two week orientation period observing courtroom procedures. Became familiarized with the various types of petitions; process of filing petitions as well as when/whether it is

necessary to file a petition against or on behalf of a juvenile. Learned that there are some cases where the situation could be handled unofficially through counseling, mediation, or referral to other agencies.

Education

Bachelor of Science: Sociology with emphasis in Criminal Justice	1986
Norfolk State University	Norfolk, VA
High School Diploma	1978
Nottoway Senior High School	Nottoway, VA
Certificate: Math & Science	1976
Bennett College	Greensboro, NC
National Science Foundation Summer School Institute in Science & Math (6 Weeks)	

JOB DESCRIPTION

BOOKKEEPER

This position is responsible for the daily completion of activities related to the overall management of the fiscal operations. This position is responsible to and supervised by the Vice President of Financial Operations.

DUTIES:

1. Responsible for recording in the Receipts and Disbursements Journal all facility transactions.
2. Responsible for maintaining up to date Accounts Payable and Receivable Journals.
3. Responsible for posting all transactions to the General Ledger.
4. Responsible for balancing the facility checkbook with the monthly bank statement and the Receipts and Disbursements Journal.
5. Responsible for reconciling the bank statement to the General Ledger.
6. Responsible for maintaining a monthly listing of outstanding Accounts Payable and Accounts Receivable.
7. Responsible for presenting to the Vice President of Financial Operations a listing of payables on a weekly basis.
8. Responsible for compiling a monthly Income Statement with budget comparisons report to be presented to the Vice President of Financial Operations.
9. Responsible for the weekly/monthly/yearly reporting and payment of all mandated taxes: retail, state income, state unemployment, federal and FICA.
10. Responsible for preparing and making bank deposits.
11. Responsible of recording all data necessary for new staff system setup and maintenance.
12. Responsible for preparing staff, participants and hourly workers payroll checks.
13. Responsible for completing all 1099's and W-2's for staff, hourly workers and participants.
14. Responsible for monitoring and reporting cash flow to ensure adequate funding for payroll and other fiscal liabilities.
15. Responsible for monitoring lines of credit and ensuring payments are made on time.
16. Responsible for preparing journal entries.
17. Responsible for preparing payroll summary reports.
18. Responsible for monitoring and reporting cash receipts and receivables balances.
19. Responsible for monitoring electronic receipts.
20. Responsible for preparing and processing employee payroll changes including Victoria on-site data entry and processing as needed.
21. Assist with set up changes to the accounting software.
22. Assist with answering phones as needed.
23. Assist with recycling truck delivery recording.
24. Responsible for ordering office and other facility supplies.
25. Responsible for completing other tasks as assigned and needed.

QUALIFICATIONS: An Associate's degree in a business/accounting curriculum is preferred, but consideration will be given to a combination of knowledge, skills, and abilities needed to complete the assigned tasks.

PHYSICAL DEMANDS OF THE ESSENTIAL FUNCTIONS:

1. Skill in communicating in spoken conversation – adequate volume speech.
2. Skill in writing/reading.
3. Skill in mathematics.
4. Normal hearing required for conversation, telephone use, and emergency information systems.
5. Visual acuity, depth perception, and field of vision within normal range.
6. Accurate color vision.
7. Must be independently mobile on all surfaces and situations.
8. Must be able to move safely about work area.
9. Must be ambulatory on all surfaces and situations.
10. Must be able to stand at least 2 hours per day and sit at least 12 hours per day.
11. Must have bilateral use of hands for repetitive single grasp and release tasks.
12. Must have bilateral use of hands for repetitive fine manipulation.
13. Must be able to perceive size, discrimination, temperature, shapes, and/or textures.
14. Must have the physical stamina to work at least 12 hours per day.
15. Must be able to tolerate heat and humidity.

EMOTIONAL DEMANDS OF THE ESSENTIAL FUNCTIONS:

1. Must be able to change routine in a positive manner.
2. Must be able to follow through on assignments independently.
3. Must have good organizational skills.
4. Work output must be at a competitive level.
5. Must be able to solve problems as they arise.
6. Must have stable work behaviors on a daily basis.
7. Must have adequate individual coping skills.
8. Must be able to maintain good work attendance.
9. Must be able to participate in decision making and initiate ideas for system improvements.
10. Must be able to respond appropriately to emergency situations.
11. Must be able to exercise good judgment in an effort to maintain a safe work environment.

CONFIDENTIALITY STATEMENT

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Justine Troyer
Signature

2/5/14
Date

Revised 12/04/01
Revised 08/20/04
Revised 10/08/04
Revised 02/26/10
Revised 02/05/14

Justine Troyer
312 Holland Rd
Farmville, Va. 23901
434-315-3272
mustang99_me@yahoo.com

Objective: Seeking Position of Book keeper

Qualifications:

- ✦ Communicative with clients
- ✦ Multitask when needed
- ✦ Computer smart
- ✦ Team player
- ✦ Quick learner
- ✦ B.A in Business Administration

Experience:

- ✦ *Bookkeeper, STEPS Inc., Farmville, VA.
- ✦ Animal Caretaker, Three Oaks Pet Resort, Farmville, Va.
- ✦ Personal Assistant, Heartland Fabrics, Farmville, VA
- ✦ Self-employed/housecleaning, Farmville, VA
- ✦ Equine Caretaker, Four Winds Arabian Farm, Farmville, VA
- ✦ Assistant, Brookleigh Country Club, Farmville, Va
- ✦ Barn Assistant, The Merry Go Round Farm, Farmville, VA

Employers:

- ✦ STEPS Inc., Paul Grossman, Jan 2014-present
- ✦ Three Oaks Pet Resort, Jessica Bristol, May 2012-Jan 2014
- ✦ Heartland Fabrics, Ellen Troyer, Sept 2009- present
- ✦ Brookleigh Country Club, Greg Smith, May 2007-April 2007
- ✦ The Merry Go Round Farm, Ann Reynolds, June 2005-April 2007
- ✦ Four Winds Arabian Farm, JoAnne Boles, 2005-2009

Education:

- ✦ Accounting degree in 2001 from Ashworth College
- ✦ Associate of Science degree from Southside Va. Community College in Keysville, Va. Graduated May 2007
- ✦ B.A in Business Administration at Midway College, Midway KY graduated in May 2010

References:

- ✦ JoAnne Boles: 434-392-5707
- ✦ Greg Smith: 1-603-793-1584
- ✦ Justine Young: 434-574-2461
- ✦ Jill Metcalf: 434-568-0035
- ✦ Darrel Hodges: 434-607-5753

Certificate of Completion

This certificate acknowledges that:

JUSTINE TROYER

has successfully completed the course entitled:

Payroll Law

Course Field of Study: **Business Law**
Continuing Education Credits: **6**
Delivery Method: **Group-Live**

Event Date: **08/14/14**
Event Location: **Lynchburg, VA**

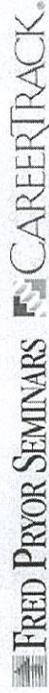


Fred Pryor Seminars and CareerTrack are registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing education for the National Board of Accountancy. State boards of accountancy have final authority on the acceptance of individual courses for CPE credit. Complaints regarding registered sponsors may be submitted to the National Board of Accountancy through its website: www.nasbomgmt.org.

NASBA License Number: **109474**

In accordance with the standards of the National Registry of CPE Sponsors, CPE credits have been granted based on a 50-minute hour.

Michael B. Hays
Executive Director & CEO

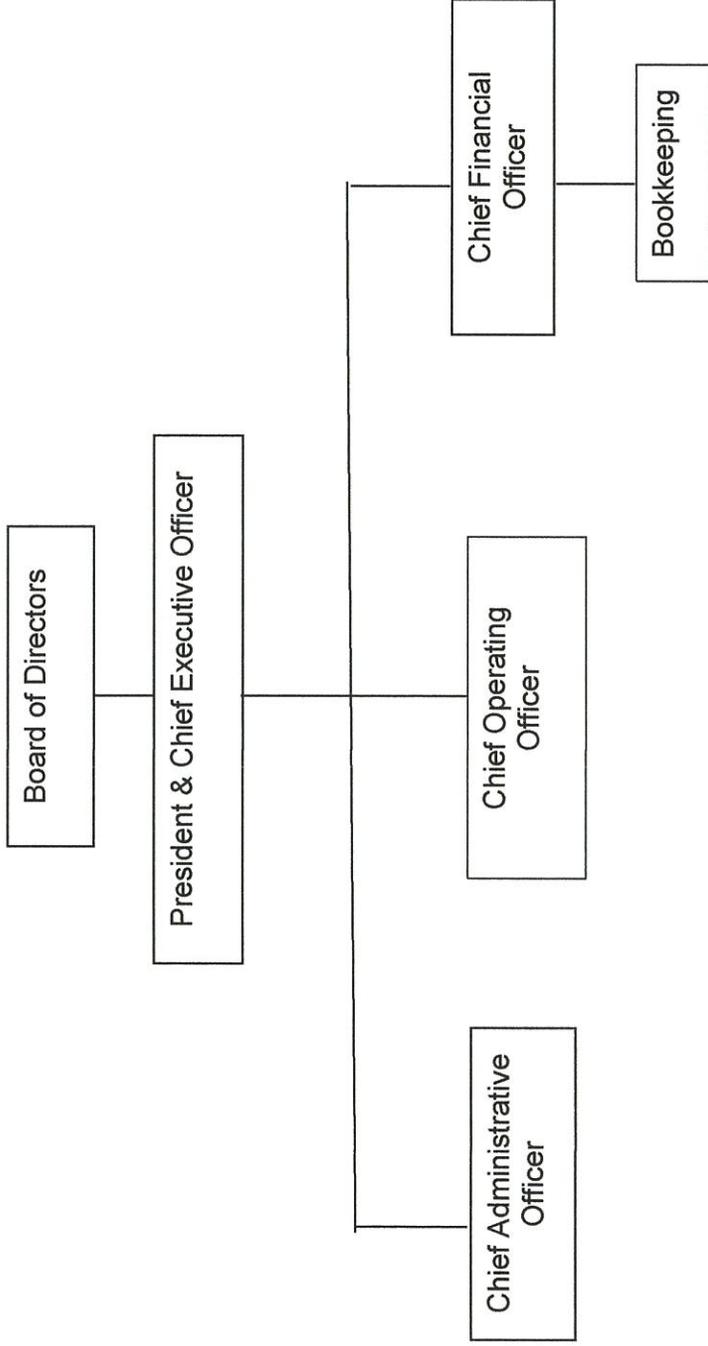


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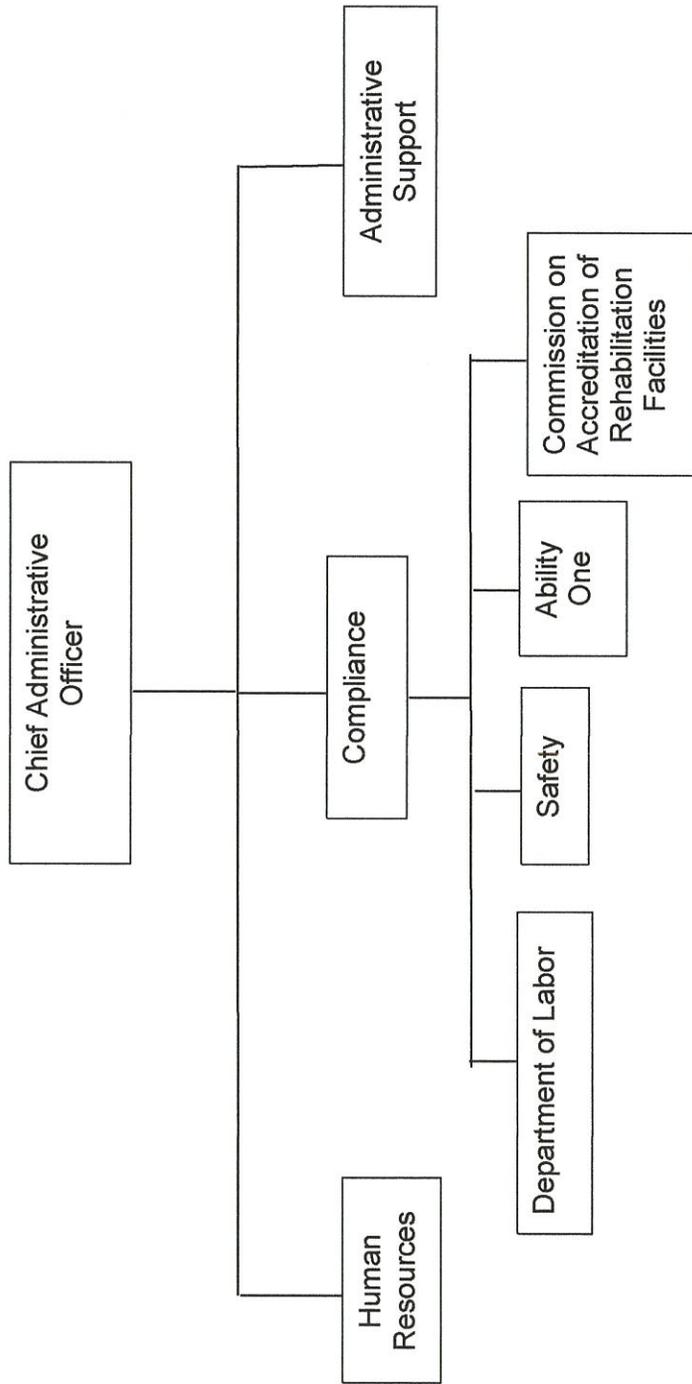
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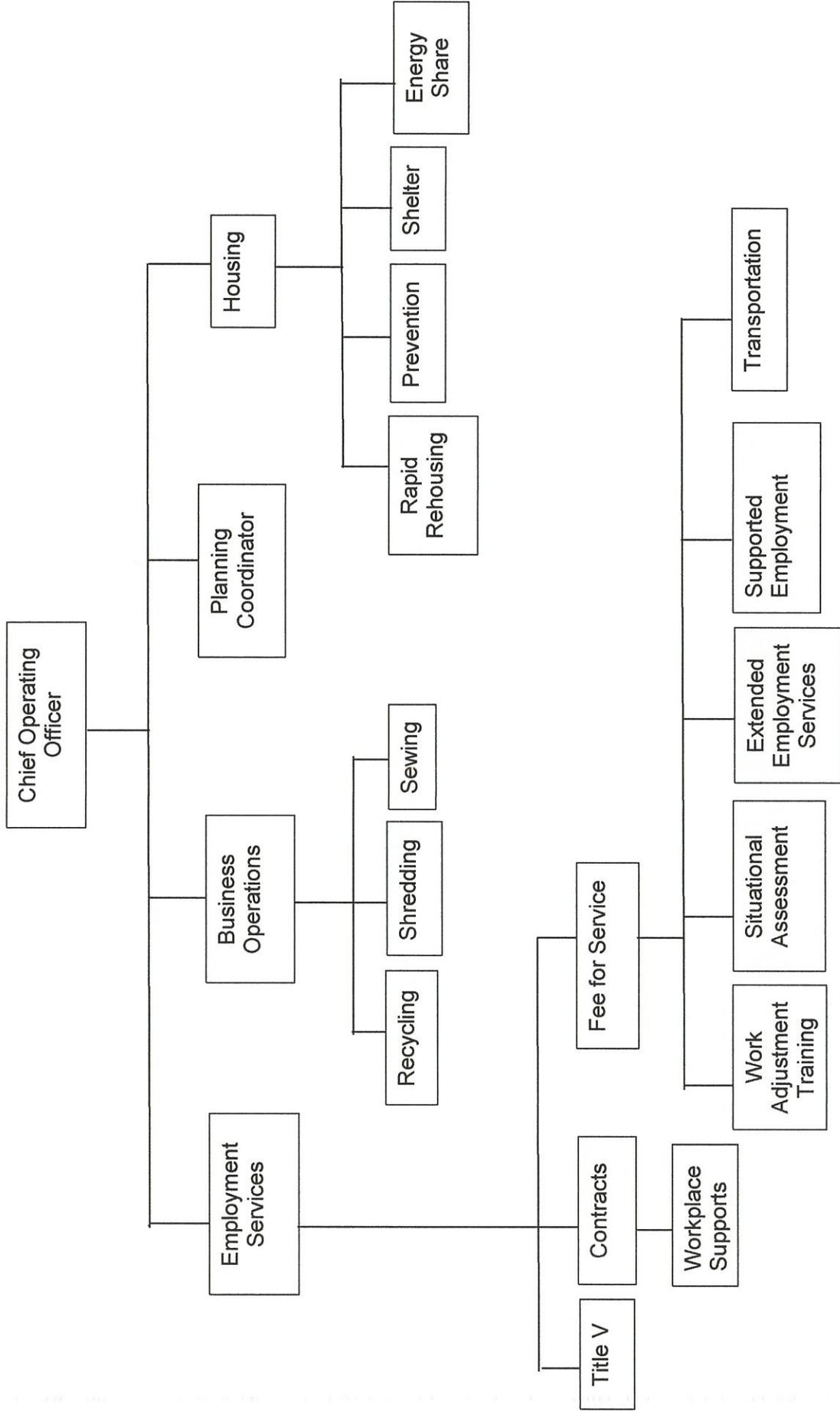
STRATEGIC ORGANIZATIONAL CHART



STRATEGIC ORGANIZATIONAL CHART



STRATEGIC ORGANIZATIONAL CHART



JOB DESCRIPTION

CHIEF ADMINISTRATIVE OFFICER

As this position may be the first introduction to STEPS the general public may have, it is imperative that the individual filling this position recognize the essential role he/she plays in the success of this organization. This position is responsible to and supervised by the President and Chief Executive Officer.

DUTIES:

1. Responsible for maintaining personnel files in accordance with federal, state and CARF accreditation mandates.
2. Responsible for updating production time studies for the processing of payroll.
3. Responsible for overseeing accrued leave records and for distributing this information to employees.
4. Responsible for tracking annual performance evaluation dates and for notifying responsible supervisor at least one month prior to required date.
5. Responsible for reporting work place accidents to the Worker's Compensation Commission and processing paperwork accordingly.
6. Responsible for compiling information for Worker's Compensation Audits.
7. Responsible for signing checks and processing accordingly.
8. Responsible for developing long and short range goals for implementation of training programs; conducts needs assessment to determine company training needs and evaluates training programs for effectiveness.
9. Responsible for serving as Safety Coordinator for the STEPS organization.
10. Responsible for viewing all interview materials and monitoring hiring practices to ensure supervisors are selecting or rejecting applicants in conformance with legal requirements, particularly EEO guidelines and company policy.
11. Responsible for interpreting policies and procedures pertaining to federal and state labor and employment law guidelines and determining employee eligibility under these laws (Americans with Disabilities Act and Family and Medical Leave Act).
12. Responsible for examining and drafting corporate policies to ensure federal and state compliance.
13. Responsible for compiling and submitting EEO statistical reports.
14. Responsible for developing and implementing personnel programs and policies.
15. Responsible for collecting and examining detailed information about job duties to prepare job descriptions.
16. Responsible for conducting surveys to see how our rates compare with others and to see that the company's pay scale complies with changing laws and regulations.
17. Responsible for handling the company's employee benefits program and ensure that benefit options are adequately explained to all employees.
18. Responsible for managing the Employee Rewards and Recognition Program.
19. Responsible for managing/coordinating company's drug testing program and ensuring the proper chain of custody of test samples and maintaining sensitive, confidential records. Proposing policy/procedures changes as needed.
20. Responsible for investigating charges filed against the company through the Equal

Employment Opportunity Commission (EEOC) and the Office of Federal Contract Compliance Programs (OFCCP). Documenting the company's position and recommending resolutions to the Chief Executive Officer.

21. Responsible for investigating complaints or discrimination or sexual harassment brought through internal complaint procedures and recommending resolutions to the President and Chief Executive Officer.
22. Responsible for performing other duties as assigned by the President and Chief Executive Officer.

QUALIFICATIONS: Any combination of knowledge, skill, and ability needed to complete the assigned tasks. Bachelor's degree required and prefer individual with human resource training beyond high school. Combination of education and related work experience will be considered.

PHYSICAL DEMANDS OF THE ESSENTIAL FUNCTIONS:

1. Skill in communicating in spoken conversation – adequate volume speech.
2. Skill in writing/reading.
3. Skill in mathematics.
4. Normal hearing required for conversation, telephone use, and emergency information systems.
5. Visual acuity, depth perception, and field of vision with normal range.
6. Must be able to move safely about work area.
7. Must be able to lift up to 10 lbs. an average of 3 times per day.
8. Must be able to reach below shoulders.
9. Must be able to reach above shoulders.
10. Must be able to bend/squat/twist/kneel occasionally.
11. Must be able to turn head 180 degrees occasionally.
12. Must be authorized for coverage under agency insurance if operating agency vehicle, have good driving record, valid Virginia driver's license, and/or required level of personal auto insurance.
13. Must have the physical stamina to work at least 4 hours per day.

EMOTIONAL DEMANDS OF THE ESSENTIAL FUNCTIONS:

1. Must be able to change routine in a positive manner.
2. Must be able to follow through on assignments independently.
3. Must have good organizational skills.
4. Work output must be at a competitive level.
5. Must be able to solve problems as they arise.
6. Must have stable work behaviors on a daily basis.
7. Must have adequate individual coping skills.
8. Must be able to maintain good work attendance.
9. Must be able to participate in decision making.
10. Must be able to respond appropriately to emergency situations.
11. Must be able to exercise good judgment in an effort to maintain a safe work environment.

CONFIDENTIALITY STATEMENT

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I understand the responsibilities of this position and am capable of performing the physical and emotional demands required.

Signature

Date

09/02/2014

JOB DESCRIPTION

CHIEF OPERATING OFFICER

The Chief Operating Officer (COO) is primarily responsible for the management of STEPS' Direct Client and Business Services' programs. Reporting to the President and CEO, the COO has the primary responsibility for planning (with the Planning Coordinator), development, and evaluation of the activities of the agency's direct client and business services.

DUTIES:

1. Responsible for developing direct programs and business services consistent with community needs.
2. Responsible for all facets of programming and service delivery including proposal writing, planning, budgeting, implementing, evaluating, and submitting of reports.
3. Responsible for monitoring program and business services to ensure consistency with criteria established by funding sources and the mission and goals of the organization.
4. Responsible for providing training for staff and developing procedures, models, and comprehensive frameworks of service delivery.
5. Responsible for developing and administering program budgets with the CFO and main budgetary controls.
6. Responsible for maintaining accurate and complete statistical records for all program services.
7. Responsible for ensuring consistent and meaningful evaluation, regularly obtaining statistical and qualitative feedback about program and service delivery to assess impact and success and to make needed changes and improvements as indicated.
8. Responsible for overseeing the recruitment, selection, and performance evaluations of direct client services and business operations personnel in coordination with the Vice President of Administration and Compliance.
9. Responsible for representing STEPS at meetings and conferences with local, state and/or federal groups and agencies concerning matters relating to direct client services and business operations.
10. Responsible for planning, coordinating, and directing professional, technical, and support staff in providing programs related to direct client and business services.
11. Responsible for overseeing IT and communication operations.
12. Responsible for participating in regular Management Team Meetings.
13. Responsible for performing other duties as assigned by the President and Chief Executive Officer.

QUALIFICATIONS: A Bachelor's degree in Business or a Human Service's field is required. Must be proficient in all aspects of computer operations including Microsoft Office application, Excel, Word, Access and computer networking.

PHYSICAL DEMANDS OF THE ESSENTIAL FUNCTIONS:

1. Skill in communicating in spoken conversation – adequate volume speech.
2. Skill in writing/reading.
3. Skill in mathematics.
4. Normal hearing required for conversation, telephone use, and emergency information systems.
5. Visual acuity, depth perception, and field of vision with normal range.
6. Must be able to move safely about work area.
7. Must be authorized for coverage under agency insurance if operating agency vehicle, have good driving record, valid Virginia driver's license, and/or required level of personal auto insurance.
8. Must be willing to work flexible hours.

EMOTIONAL DEMANDS OF THE ESSENTIAL FUNCTIONS:

1. Must be able to change routine in a positive manner.
2. Must be able to follow through on assignments independently.
3. Must have good organizational skills.
4. Work output must be at a competitive level.
5. Must be able to solve problems as they arise.
6. Must have stable work behaviors on a daily basis.
7. Must have adequate individual coping skills.
8. Must be able to maintain good work attendance.
9. Must be able to participate in decision making.
10. Must be able to respond appropriately to emergency situations.
11. Must be able to exercise good judgment in an effort to maintain a safe work environment.
12. Must have supervisory experience.

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Signature

Date

JOB DESCRIPTION

CHIEF FINANCIAL OFFICER

Monitors and assures the proper functioning of the fiscal processes of the agency. This position is responsible to and supervised by the Chief Operating Officer.

FINANCIAL MANAGEMENT DUTIES:

1. Responsible for ensuring coordination of agency program budgets.
2. Responsible for taking the lead with Chief Operating Officer and President and Chief Executive Officer in budget development.
3. Responsible for overseeing preparation of fiscal reports and assuring performance of the annual audit as well as needed programmatic "funder" audits.
4. Responsible for directing the preparation of reports to the Board of Directors and other appropriate authorities.

FINANCIAL PROCEDURES:

5. Responsible for reviewing and approving all requests for expenditures prior to issuing purchase authority.
6. Responsible for approving entry of all accounts payable invoices prior to posting to the general ledger.
7. Responsible for reviewing monthly aged payable reports and verifying reconciliation to the general ledger balances.
8. Responsible for reviewing and approving all entries made for receivables prior to posting to the general ledger.
9. Responsible for reviewing grant reimbursement requests prior to submission.
10. Responsible for reviewing monthly receivables reports and verifying reconciliation to the general ledger balances.
11. Responsible for reviewing bank reconciliations each month.
12. Responsible for preparing necessary adjustments to the trial balance.
13. Responsible for reviewing trial balance for necessary adjustments at month end.
14. Responsible for preparing monthly financial statements for the President and CEO, COO, and Board of Directors and to County Administrators as needed.
15. Responsible for reviewing monthly reports with the President and CEO and COO.
16. Responsible for making budget changes as needed.
17. Responsible for ensuring that steps are taken to maintain appropriate internal financial controls.
18. Responsible for reviewing payroll reports prior to printing checks or submitting direct deposit file information.

LEGAL COMPLIANCE:

19. Responsible for ensuring compliance with state and local laws and contractual obligations, as well as reporting and financial obligations attached to receipt of state, federal, local government, foundation, and corporate grants.
20. Responsible for ensuring compliance with all pertinent regulations attached to receipt of state and federal funds, as well as legally binding requirements of

programs operated by the agency.

STAFF TO BOARD OF DIRECTORS:

21. Responsible for functioning as fiscal staff to the Board of Directors through the President and CEO by preparing all financial reports and ensuring that Board members have all pertinent fiscal information necessary to fulfill their obligation to administer the organization.

POLICIES AND PROCEDURES:

22. Responsible for drafting, maintaining and recommending improvements and accuracy as necessary and appropriate to the agency's Accounting Policies and Procedures, in cooperation with the President and CEO, for approval by the Board of Directors.

COORDINATION:

23. Responsible for working with the President and CEO and the COO, and Vice President of Administration and Compliance, and Planning Coordinator to prepare annual budgets for submission to various funding agencies and the Board of Directors.

PERSONNEL:

24. Responsible for hiring adequate staff within the budgetary restraints to process the financial and payroll functions of the agency.
25. Responsible for providing proper training for staff to ensure competency to complete tasks assigned to them.

AUDIT MANAGEMENT:

26. Responsible for issuing RFP for audit bids when required.
27. Responsible for interacting with auditors to ensure year-end financial audit report is prepared and presented in a timely way.

QUALIFICATIONS: A Bachelor's degree in Accounting, Business Administration, or related field. CPA preferred. Experience in program/fund accounting or management. Experience in grant budgeting. Must have computer skills along with management experience in the not-for-profit arena, with additional experience in working with community-based organizations preferred. MIP software experience preferred.

PHYSICAL DEMANDS OF THE ESSENTIAL FUNCTIONS:

1. Skill in communicating in spoken conversation – adequate volume speech.
2. Skill in writing/reading.
3. Skill in mathematics.
4. Normal hearing required for conversation, telephone use, and emergency information systems.
5. Visual acuity, depth perception, and field of vision with normal range.
6. Must be able to move safely about work area.
7. Must be authorized for coverage under agency insurance if operating agency

vehicle, have good driving record, valid Virginia driver's license, and/or required level of personal auto insurance.

8. Must be willing to work flexible hours.

EMOTIONAL DEMANDS OF THE ESSENTIAL FUNCTIONS:

1. Must be able to change routine in a positive manner.
2. Must be able to follow through on assignments independently.
3. Must have good organizational skills.
4. Work output must be at a competitive level.
5. Must be able to solve problems as they arise.
6. Must have stable work behaviors on a daily basis.
7. Must have adequate individual coping skills.
8. Must be able to maintain good work attendance.
9. Must be able to participate in decision making.
10. Must be able to respond appropriately to emergency situations.
11. Must be able to exercise good judgment in an effort to maintain a safe work environment.
12. Must have supervisory experience.

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Signature

Date

09/02/2014

JOB DESCRIPTION

PLANNING COORDINATOR

This position is responsible to and supervised by the Chief Operating Officer.

DUTIES:

1. Responsible for the grant writing for new projects and renewals (CSBG, Counties, Title V) plus assisting Chief Operating Officer in renewal grant writing.
2. Responsible for assisting Chief Operating Officer with new program development, staffing and operations.
3. Responsible for assisting Chief Operating Officer with development of client outcome database.
4. Responsible for Community Services Block Grant (CSBG) quarterly and annual reporting.
5. Responsible for assisting Chief Operating Officer with agency IT and communication needs and computer products, services, and training.
6. Responsible for providing outcome reporting support to the Chief Operating Officer.
7. Responsible for developing with the President and CEO marketing research and promotional materials.
8. Responsible for preparing annual agency report.
9. Responsible for maintaining agency website.
10. Responsible for assisting Victoria Plant Manager with obtaining new lines of production.
11. Responsible for assisting Vice President of Administration and Compliance with periodic Employee Benefit reviews.
12. Responsible for performing other duties as assigned by the Chief Operating Officer.

QUALIFICATIONS: A Bachelor's degree in Human Service, Communications, or Public or Business Administration. Experience in program/fund development and marketing. Experience in public relations, proposal/grant writing, and working with Boards and committees. Must have computer skills (Word/Power Point/Access/Excel), public speaking skills, and experience in the not for profit or government arena, with experience in community and project organizing, and working with community-based organizations preferred.

PHYSICAL DEMANDS OF THE ESSENTIAL FUNCTIONS:

1. Skill in communicating in spoken conversation – adequate volume speech.
2. Skill in writing/reading.
3. Skill in mathematics.
4. Normal hearing required for conversation, telephone use, and emergency information systems.
5. Visual acuity, depth perception, and field of vision with normal range.

6. Must be able to move safely about work area.
7. Must be authorized for coverage under agency insurance if operating agency vehicle, have good driving record, valid Virginia driver's license, and/or required level of personal auto insurance.
8. Must be willing to work flexible hours.

EMOTIONAL DEMANDS OF THE ESSENTIAL FUNCTIONS:

1. Must be able to change routine in a positive manner.
2. Must be able to follow through on assignments independently.
3. Must have good organizational skills.
4. Work output must be at a competitive level.
5. Must be able to solve problems as they arise.
6. Must have stable work behaviors on a daily basis.
7. Must have adequate individual coping skills.
8. Must be able to maintain good work attendance.
9. Must be able to participate in decision making.
10. Must be able to respond appropriately to emergency situations.
11. Must be able to exercise good judgment in an effort to maintain a safe work environment.
12. Must have supervisory experience.

CONFIDENTIALITY STATEMENT

I acknowledge the receipt of a copy of STEPS' Employee Handbook.

I understand that persons receiving STEPS services (participants) are protected by a code of Human Rights. I further understand that I am not to discuss issues concerning STEPS participants as this information is confidential and cannot be released per state law. I am also aware that violation of participants' rights, which includes breach of confidentiality, will result in my services no longer being needed by STEPS.

I understand the responsibilities of this position and am capable of performing the physical and emotional demands required.

Signature

Date

09/02/2014

Position Responsibilities for New Programs

After School Tutoring Coordinator:

- Recruit participants
- Coordinate with schools, local colleges, libraries, civic organizations, agency on aging, etc.
- Coordinate the set-up of the computers and printers
- Schedule training sessions with the participants
- Maintain demographics of participant population
- Evaluate participant progress
- Determine needs of the participants
- Coordinate efforts with other STEPS programs

Project Discovery Coordinator:

- Coordinate efforts with public schools
- Recruit students
- Arrange for college campus visits
- Meet with students and parents to discuss post-secondary education ambitions
- Assist students with applying for grants and loans
- Counsel students on post-secondary site selection
- Maintain demographics of student participants
- Evaluate program and make improvements as needed
- Attend required meetings
- Complete all reports for funder, schools, students, and STEPS

Head Start:

- Head Start Director – Oversee program requirements as well as coordinating with Parent Policy Council
- Education Coordinator – Oversee education requirements
- Education Aide – Assist Education Coordinator
- Health Coordinator – Oversee health/dental/mental health requirements
- Family Advocate Coordinator – Oversee recruitment of children, family advocacy, and community partnerships
- Teacher – Classroom educator
- Teacher Aide – Assist with classroom activities
- Cooks – Prepare meals
- Drivers – Transport children
- Bus Monitors – Provide safety and health oversight on the buses
- Transportation & Facility Manager – Maintain oversight on buildings and buses along with seeing that children are picked up and brought home safely

VaCares:

Case Manager

- Provide case management to clients in the inmate-re-entry system
- Find housing, employment, and food if needed for the clients
- Assist with providing a bridge with family members
- Assist with obtaining voting rights paperwork
- Monitor clients at place of employment to assure that they maintain their positions
- Complete necessary data in VaCares software
- Maintain paper files

EITC:

- Tax preparation assistant – Complete tax documents in software system
- Maintain demographics of clients

APPENDIX C

Letters of Support Included:

- County Government
 - Amelia County
 - Buckingham County
 - Cumberland County
 - Lunenburg County
 - Nottoway County
 - Prince Edward County

- Local Departments of Social Services
 - Amelia County
 - Buckingham County
 - Cumberland County
 - Lunenburg County
 - Nottoway County
 - Prince Edward County

- Mr. Rucker Snead, President of the Board, United Way of Prince Edward County

- Mr. James Rothrock, Commissioner, Department of Aging and Rehabilitative Services

- Mr. E. W. Tibbs, President and CEO, Centra Health

BOARD OF SUPERVISORS
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RALPH A. WHITAKER, JR.
Election District 3
CARROLL E. BARNARD
Election District 4



16360 Dunn Street, Suite 101
Post Office Box A
Amelia Court House, Virginia 23002

A. TAYLOR HARVIE, III
COUNTY ADMINISTRATOR

Telephone: (804) 561-3039
Facsimile: (804) 561-6039
Website: www.ameliacova.com

August 22, 2014

Sharon L. Harrup, MS
STEPS, Inc.
225 Industrial Park Road
Farmville, VA 23901

Dear Ms. Harrup,

I am pleased to inform you that during the Regular BOS meeting on August 20, 2014, the Amelia County Board of Supervisors unanimously approved to strongly support STEPS, Inc. as the preferred Community Action Agency for our County.

We look forward to working with you and wish you success in your application. Please feel free to contact me if you have any questions.

Sincerely,

A. Taylor Harvie, III
Amelia County Administrator

ATH/ba



Buckingham County
Board of Supervisors
Office of the County Administrator
13380 W. James Anderson Highway
Post Office Box 252
Buckingham, Virginia 23921 -0252
Telephone 434-969-4242
Fax 434-969-1638

REBECCA S. CARTER
County Administrator

E.M. WRIGHT, JR.
County Attorney

May 14, 2014

Ms. Sharon L. Harrup
President & CEO
STEPS, Inc.
225 Industrial Park Road
Farmville, Virginia 23901

Dear Ms. Harrup:

As the May 12, 2014 meeting of the Buckingham County Board of Supervisors, the Board approved your request and considers this letter of support to say that STEPS, Inc. is the only entity Buckingham County will support as the new designated community action program.

We wish you luck with this endeavor and look forward to this expansion of services to meet the needs of our citizens.

Sincerely,

Rebecca S. Carter
County Administrator

DONALD E. BRYAN
Chairman
District 2 Supervisor

I. MONROE SNOODY
Vice-Chairman
District 1 Supervisor

E.A. "BILL" TALBERT
District 3 Supervisor

JOHN N. STATON
District 4 Supervisor

CASSANDRA L. STISH
District 5 Supervisor

JOE N. CHAMBERS, JR.
District 6 Supervisor

DANNY R. ALLEN
District 7 Supervisor



August 25, 2014

1 Courthouse Circle | Post Office Box 110
Cumberland, Virginia 23040

Vivian Seay Giles
County Attorney | County Administrator
Direct Dial 804.492.3578
vgiles@cumberlandcounty.virginia.gov

804.492.3800 Telephone
804.492.9224 Facsimile

www.cumberlandcounty.virginia.gov
info@cumberlandcounty.virginia.gov

Ms. Sharon L. Harrup, M.S., President & CEO
STEPS, Inc.
225 Industrial Park Road
Farmville, Virginia 23901

Re: Community Action Agency Designation

Dear Ms. Harrup:

As you are aware, STEPS, Incorporated is the only organization, to date, that the Cumberland County Board of Supervisors has voted to support in efforts to receive designation as Cumberland County's community action agency. Insofar as there may be other organizations seeking that designation, the Board of Supervisors voted at its regular meeting on August 12, 2014 to make it known that STEPS, Incorporated is the preferred organization for community action agency designation in Cumberland County.

As always, we thank you for all that STEPS, Incorporated does for our community. Should you need anything further, please do not hesitate to contact me.

Sincerely,

Vivian Seay Giles
County Attorney | County Administrator
Clerk to the Board of Supervisors of Cumberland County

BOARD OF SUPERVISORS

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Election District 5

Charles R. Slayton, VICE-CHAIRMAN
Election District 4

T. Wayne Hoover
Election District 1

David E. Wingold, Sr.
Election District 2

Frank W. Bacon
Election District 3

Alvester L. Edmonds
Election District 6

Robert G. Zava
Election District 7



Lunenburg County Administration
11413 Courthouse Road
Lunenburg, VA 23952

Tracy M. Gee
County Administrator

Telephone: (434) 696-2142
Facsimile: (434) 696-1798

July 10, 2014

Sharon L. Harrup, MS
President & CEO
STEPS, Inc.
225 Industrial Park Road
Farmville, VA 23901

Dear Ms. Harrup:

Please be advised that the Lunenburg County Board of Supervisors voted unanimously, at their regular meeting on June 12, 2014, to support STEPS, Inc. in their endeavor to be designated as the community action agency for Planning District 14 and Lunenburg County.

The Lunenburg County Board of Supervisors has worked closely with STEPS, Inc. for more than fifteen years and is pleased to provide this letter of support and encourage the designation. We wish you success with your application and are optimistic for a prompt decision in your favor so that services will be available to our citizens that are in need.

Yours truly,

A handwritten signature in blue ink that reads "Tracy M. Gee".

Tracy M. Gee
County Administrator

OFFICE OF
THE BOARD OF SUPERVISORS
NOTTOWAY COUNTY

SUPERVISORS

CLARENCE A. SIMPSON, CHAIRMAN
DISTRICT 5
STEVE W. BOWEN, VICE CHAIRMAN
DISTRICT 1
GARY L. SIMMONS
DISTRICT 2
HELEN M. SIMMONS
DISTRICT 3
SHERMAN C. VAUGHN
DISTRICT 4



P. O. BOX 92
344 W. COURTHOUSE RD.
NOTTOWAY, VIRGINIA 23955
TELEPHONE (434) 645-8696
FAX No. (434) 645-8667
E-MAIL: nottoway@nottoway.org
www.nottoway.org

ADMINISTRATOR
RONALD E. ROARK

ASSISTANT ADMINISTRATOR
JOHN N. PROSISE

BUILDING INSPECTOR
A. Q. ELLINGTON, III

COUNTY PLANNER
KELLY N. HATCHER

August 22, 2014

Ms. Sharon L. Harrup, MS
President & CEO
STEPS, Inc.
225 Industrial Park Road
Farmville, VA 23901

Dear Ms. Harrup:

At its August 21, 2014 meeting, the Nottoway County Board of Supervisors discussed the recent request from the Virginia Department of Social Services for applications for designation as the Community Action Agency for Nottoway County.

Following a discussion, the Board voted unanimously to only Support STEPS, Inc. as the next Community Action Agency for our County.

Should you have questions, please contact me.

Sincerely,

A handwritten signature in cursive script, appearing to read "Ronald E. Roark".

Ronald E. Roark
County Administrator

BOARD OF SUPERVISORS

HOWARD F. SIMPSON
CHAIRMAN

PATTIE COOPER-JONES
VICE-CHAIR

HOWARD M. CAMPBELL
ROBERT M. JONES
CHARLES W. MCKAY
C. ROBERT TIMMONS, JR.
JERRY R. TOWNSEND
JAMES R. WILCK



COUNTY ADMINISTRATOR
W.W. BARTLETT

POST OFFICE BOX 382
FARMVILLE, VA 23901

(434) 392-8837 VOICE
(434) 392-6683 FAX

WBARTLETT@CO.PRINCE-EDWARD.VA.US
WWW.CO.PRINCE-EDWARD.VA.US

COUNTY OF PRINCE EDWARD, VIRGINIA

July 15, 2014

Sharon L. Harrup, MS
President & CEO
STEPS, Inc.
225 Industrial Park Road
Farmville, VA 23901

Dear Ms. Harrup:

Please be advised at their June 10, 2014 meeting the Prince Edward County Board of Supervisors voted to support your organizations efforts to be designated as the Community Action Agency for Prince Edward County. The Board approved your request that Prince Edward County only support your organizations application.

Prince Edward County has worked closely with STEPS, Inc. for almost 20 years and is pleased to support and encourage the designation. We wish you success in your application. Our County has gone much too long without an organization serving our community.

Sincerely,

W.W. Bartlett
County Administrator



AMELIA DEPARTMENT OF SOCIAL SERVICES

P.O. Box 136, Amelia, VA 23002 Phone: (804) 561-2681 Fax: (804) 561-6040

Martha Pullen, Director



August 12, 2014

c/o Ms. Sharon L. Harrup, MS
President & CEO
STEPS, Inc.
225 Industrial Park Road
Farmville, VA 23901

To Whom it May Concern:

I am writing this letter of support for the approval of the application of STEPS, Inc. to be designated as our local community action agency. I think it is important that our community action agency be a locally located agency with some years of proven experience in serving this community successfully as a non-profit. I believe that STEPS, Inc. meets that criteria.

Thank you for your considered attention to this matter.

Sincerely,

Martha Pullen
Director



Buckingham County Department of Social Services

POST OFFICE BOX 170
BUCKINGHAM, VIRGINIA 23921-0170



Duke of Buckingham

BRAXTON L. APPERSON, III, Ph.D.
DIRECTOR

TELEPHONE
(434) 969-4246
FAX
(434) 969-1449

August 21, 2014

Sharon Harrup
STEPS, Inc.
225 Industrial Park Rd.
Farmville, Va. 23901

Dear Ms. Harrup:

I was very glad to learn that STEPS is pursuing designation as a new community action agency to serve a six county area that includes Buckingham County. This agency has had a long and productive working relationship with STEPS. Based upon that long experience working with STEPS, yesterday, August 20th, the Buckingham Social Services Board voted unanimously to endorse STEPS' application to be designated as the community action agency for the six county area that includes Buckingham County.

Sincerely,

Braxton L. Apperson, III
Director



DEPARTMENT OF SOCIAL SERVICES

P.O. Box 33
CUMBERLAND, VIRGINIA 23040

(804) 492-4915
FAX (804) 492-9346

LAURAETTA JONES-YATES
ALICE METTS
NELL SPAIN
KEVIN INGLE
ROSA WOODARD
CYNTHIA GABLE



KAREN BLACKWELL
Director

August 14, 2014

Sharon L. Harrup, MS
President and CEO
STEPS, Inc.
225 Industrial Park Road
Farmville, Virginia 23901

Dear Ms. Harrup:

Cumberland Department of Social Services supports the application for STEPS to become the new community action agency for our six county region (Amelia, Buckingham, Cumberland, Lunenburg Nottoway and Prince Edward).

Sincerely,

Karen H. Blackwell
Director



Courthouse Square
Lunenburg, Virginia 23952-9999

Telephone
(434) 696-2134
FAX
(434) 696-2534

Dorothy A. Newcomb
Director

COUNTY of LUNENBURG
DEPARTMENT OF SOCIAL SERVICES

August 20, 2014

To Whom It May Concern:

On behalf of Lunenburg Department of Social Services, I strongly support STEPS, Inc.'s application to become the designated Community Action Agency for our six county region (Amelia, Buckingham, Cumberland, Lunenburg, Nottoway, and Prince Edward). STEPS, Inc. is a non-profit organization that has been very successful in serving all six counties. They have a 30 year history of providing jobs to citizens with disabilities. They are dedicated to this region and familiar with the causes and conditions of poverty here. Given the opportunity to become the Community Action Agency (CAA) for the designated area, I am confident that STEPS, Inc. will foster self-sufficiency in individuals and families and will utilize the funding of the Community Services Block Grant (CSBG) to its fullest potential in alleviating the causes and conditions of poverty.

Our area has been without a Community Action Agency for an extended period of time. It is critical to the citizens of our community that a strong local community based agency be recommended to the Governor to receive the funding. Therefore, I encourage and highly recommend that STEPS, Inc.'s grant application be considered.

If I can answer any questions or provide additional information, please do not hesitate to contact me.

Sincerely,

Dorothy A. Newcomb
Director
Dorothy.newcomb@dss.virginia.gov
(434) 696-2134 ext. 293
(434) 696-2534 FAX



Phone (434) 645-8494

NOTTOWAY COUNTY
Department of Social Services

288 West Courthouse Road • P.O. Box 26
Nottoway, VA 23955-0026



Fax (434) 645-7643

August 25, 2014

Re: STEPS, Inc.—Letter of Support

To Whom It May Concern:

Please accept this letter in support of STEPS, Inc. as it labors to serve Nottoway County residents. Moreover, Nottoway County Department of Social Services extends its support to STEPS as the Community Action Agency for our six-member region (the counties of Amelia, Buckingham, Cumberland, Lunenburg, Nottoway and Prince Edward).

STEPS, having plans to complete a community needs assessment, expand workplace supports, provide additional guidance and materials to the local Departments of Social Services and otherwise collaborate with local Social Services Directors and others so that it may better serve our community—small and large—has our support. Additionally, STEPS, praised by other local Social Services agencies in the region, has our trust.

In short, STEPS has our utmost confidence; and we ask that this letter serve as a tool to help further its work in the community it has long served well. We are committed to excellence through and with STEPS.

Sincerely,
NOTTOWAY COUNTY DEPARTMENT OF SOCIAL SERVICES

Christopher R. Spain, M.P.A.
Director



Roma R. Morris
Director

PRINCE EDWARD COUNTY

DEPARTMENT OF SOCIAL SERVICES

Post Office Drawer 628 – 111 South Street

Farmville, Virginia 23901-0628

Telephone: (434) 392-3113 Fax: (434) 392-8453



Board Members

*Howard Simpson –Chairman
Lanay Walker- Vice-Chairman
Shirley H. Wallace
Raymond Dowdy
Pauly Hollingsworth*



August 13, 2014

Ms. Sharon L. Harrup, President & CEO
Steps, Inc.
225 Industrial Park Road
Farmville, VA 23901

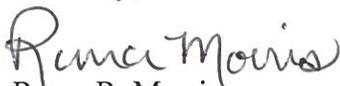
Dear Sharon:

This letter is to support Steps, Inc. in becoming the Community Action Agency for the district of Amelia, Buckingham, Cumberland, Lunenburg, Nottoway and Prince Edward (PD 147). Our Planning District has been without a Community Action Agency for several months. As you are aware, resources are very limited in our rural area and without a Community Action Agency, DSS is often at a loss in assisting our citizens in need.

I have worked with you and your agency for many years, (20 years plus). During this time, you have always been professional, honest and followed through on services. I trust your judgment and creditability on running a Community Action Agency. I would encourage the Virginia Department of Social Services to designate Steps as the Community Action Agency for this Planning District.

Please feel free to contact me if I can be of assistance.

Sincerely,


Roma R. Morris
Director



United Way of
Prince Edward County
P.O. Box 122
Farmville, Virginia 23901

1 September 2014

To Whom It May Concern:

The United Way of Prince Edward County is pleased to support the designation of STEPS, Inc. as the community action agency for this region to replace the HOPE Community Services.

The United Way of Prince Edward County is a cooperative organization of human services agencies dedicated to finding the resources necessary to meet the needs of these agencies and to help find solutions to problems faced by our community. Our United Way is an all-volunteer organization which currently assists with supporting our 18 non-profit partners that provide a wide range of services from youth education to senior nutrition programs.

STEPS, Inc. has been an extremely valuable partner over the years in meeting the needs of so many of our citizens in our community. I have enjoyed working closely with them as they have demonstrated innovation and resourcefulness with dealing with an ever-changing economy while remaining true to their mission. In addition, they have been active in our United Way Council and have provided leadership and guidance to some of our fully "volunteer" council partners.

Again, I fully support the designation of STEPS, Inc. as the community action agency for this region. If you have any questions or need any additional information, please contact me at rsnead@hsc.edu or (434) 223-6260.

Sincerely,

L. Rucker Snead III

L. Rucker Snead III
President
United Way of Prince Edward County

Sharon Harrup

From: Rothrock, James (DARS) <James.Rothrock@dars.virginia.gov>
Sent: Tuesday, September 02, 2014 11:59 AM
To: sharrup@steps-inc.org
Subject: STEPS Endorsement

STEPS Has been a valued partner of DRS and now DARS for many years. When their communities' economy allowed growth they were quite successful and creative in serving our clients. When the economy took a downturn and many non-profit and for profit businesses were struggling, STEPS continued to provide quality services to a reduced client base.

Recently, we offered them the opportunity to work with us on another employment effort, Title V—employment initiative for older Virginians, and they have met our needs.

We at DARS would support DSS's efforts to build on STEPS foundation and seek to increase its impact in the communities it serves and offer an even broader base of services to a wider population.

All the best and do keep me posted on your success.

Jim

James A. Rothrock
Commissioner
Virginia Department for Aging and Rehabilitative Services
8004 Franklin Farms Drive
Richmond, Virginia 23229
Phone: (804) 662-7010
Fax: (804) 662-7644
Email: Jim.Rothrock@dars.virginia.gov



CENTRA
Lynchburg General Hospital

1901 Tate Springs Road
Lynchburg, Virginia 24501

PHONE: 434.200.3000
WEB: www.centrahealth.com

August 27, 2014

Sharon L. Harrup
President & CEO
STEPS, Inc.

Dear Sharon,

The intent of this document is to provide support for your organization, STEPS, Inc., in becoming the next designated community action agency for the counties of Amelia, Buckingham, Cumberland, Lunenburg, Nottoway and Prince Edward. STEPS provides very unique and much needed services for citizens with disabilities and those living in poverty, and fosters self-efficiency so that they may live independently. This designation would enhance the organization's ability to work collaboratively with the community and expand the high quality services that STEPS already provides to those in need.

Centra Health is the largest healthcare organization within a 60-mile radius and Centra Southside Community Hospital is the largest hospital within the six counties listed above.

I am extending my full recommendation for STEPS to become a designated community action agency and if I can provide any further support, please let me know.

Sincerely,

E. W. Tibbs, RN, BSN, MBA
President & CEO
Centra



APPENDIX D

REQUIRED APPLICATION ATTACHMENTS:

- Certificate of Incorporation and Articles of Amendment
- Current Board Bylaws
- Organizational Charts:
 - Current
 - Proposed – Strategic Organizational Chart
- Operating Budget with separate budgets for each program
 - Expense category definitions
- Personnel Policies – Three (3) Sets of Personnel Policies are included:
 - Staff
 - Hourly
 - Participants served through purchase of service agreements
- Fiscal Policies
- Title V Participant Handbook
- Insurance Documents, including Bonding/Employee Theft
- Property inventory
- IRS 501 (c) (3) Determination Letter
- W-9
- SAM Registration
- Dun and Bradstreet Registration – **#19-817-5572**
- Contracts, Purchase of Service Agreements, Collaborative Agreements and Rental/Lease Agreements:
 - Contract Documents
 - Department of Aging and Rehabilitative Services (DARS) - Senior Community Service Employment Program (SCSEP – Title V)
 - Workplace Supports Contract
 - Nottoway County Public Schools
 - Department of Housing and Community Development (DHCD) – Virginia Housing Solutions Program (VHSP) Contract
 - Dominion Virginia Power EnergyShare Press Release
 - Virginia Housing and Development Authority (VHDA) Capacity Building Grant
 - Purchase of Service Agreements:
 - Department of Aging and Rehabilitative Services (DARS) - Purchase of Service Agreement and FY2015 Rate Sheet
 - Collaborative Agreements
 - Memorandum of Understanding between TAP and STEPS regarding the provision of DHCD funded Weatherization Services
 - Commonwealth of Virginia, Department of Social Services, VIEW Worksite Agreement (CWEP or PSP)
 - South Central Workforce Investment Board Memorandum of Understanding for Business Services, FY13-16
 - Rental/Lease Agreements:
 - Department of Aging and Rehabilitative Services

- Listing of the Board of Directors
- List of All Current Funding Sources and Uses
- Most Recent Annual Report
- Three (3) Most Recent Audited Financial Statements with Documentation:
 - FY2011
 - FY2012
 - FY2013
 - Letter of Explanation from Hill and Davis CPA
 - Financial Analysis
 - FY2014 Unaudited Financial Statements
- Strategic Plan
- Program Evaluation and Monitoring Reports:
 - Workforce Development Outcomes Measurement Report (2013)
 - Commission on Accreditation of Rehabilitation Facilities (CARF) (2011)
 - Ability One Commission:
 - Committee for Purchase from People Who Are Blind or Severely Disabled (2011)
 - Source America (NISH) Non-Profit Agency (2014)
 - Affirmative Action Plan (2013)
 - AmTrust North America - Worker's Compensation Audit (2014)
 - Department for Aging and Rehabilitative Services Compliance Report for the Senior Community Service Employment Program (SCSEP Title V) and Corrective Action Report (2014)
 - Department of Labor Desk Audit (not a routine audit) (2013)
- Board minutes – FY 13 and FY 14

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

AT RICHMOND, JULY 31, 2012

The State Corporation Commission has found the accompanying articles submitted on behalf of

STEPS, Inc. (formerly SOUTHSIDE TRAINING, EMPLOYMENT AND
PLACEMENT SERVICES, INC.)

to comply with the requirements of law, and confirms payment of all required fees. Therefore, it
is ORDERED that this

CERTIFICATE OF AMENDMENT

be issued and admitted to record with the articles of amendment in the Office of the Clerk of the
Commission, effective July 31, 2012.

The corporation is granted the authority conferred on it by law in accordance with the articles,
subject to the conditions and restrictions imposed by law.

STATE CORPORATION COMMISSION

By



Mark C. Christie
Commissioner

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

March 11, 1991

The State Corporation Commission has found the accompanying articles submitted on behalf of

SOUTHSIDE TRAINING, EMPLOYMENT AND PLACEMENT
SERVICES, INC. (FORMERLY SHELTERED WORKSHOP IN
FARMVILLE, INCORPORATED, THE)

to comply with the requirements of law, and confirms payment of all related fees.

Therefore, it is ORDERED that this

CERTIFICATE OF AMENDMENT

be issued and admitted to record with the articles of amendment in the Office of the Clerk of the Commission, effective March 11, 1991.

The corporation is granted the authority conferred on it by law in accordance with the articles, subject to the conditions and restrictions imposed by law.

STATE CORPORATION COMMISSION

By

Thomas P. Harwood, Jr.

Commissioner

AMENACPT
CIS20436
91-03-04-0120

ARTICLES OF AMENDMENT

OF

THE SHELTERED WORKSHOP IN FARMVILLE, INCORPORATED

Pursuant to Sections 13.1-886 and 13.1-888 of the Code of Virginia, 1950, as amended, the undersigned corporation, by its President and Secretary, sets forth the following:

1. The name of the corporation is changed from THE SHELTERED WORKSHOP IN FARMVILLE, INCORPORATED to SOUTHSIDE TRAINING, EMPLOYMENT AND PLACEMENT SERVICES, INC.
2. This change has been unanimously approved by the members of the corporation by unanimous consent as set forth in Section 13.1-888 of the Code of Virginia.
3. The Board of Directors has approved this change as action taken January 14, 1991, as set forth in Section 13.1-886 of the Code of Virginia.
4. This amendment does not delete any of the Articles of Incorporation, approved September 17, 1982, or Articles of Amendment, approved November 16, 1984.

THE SHELTERED WORKSHOP IN FARMVILLE, INCORPORATED

By W. C. Schell
Its President

ATTEST:

Gilbert W. Wood
Its Secretary

Commonwealth of Virginia



State Corporation Commission

I, William J. Bridge, Clerk of the State Corporation Commission, do hereby certify that

the foregoing is a true copy of the ARTICLES OF AMENDMENT of SOUTHSIDE TRAINING, EMPLOYMENT AND PLACEMENT SERVICES, INC. issued March 11, 1991.

Nothing more is hereby certified.

In Testimony Whereof I hereunto set my hand and affix the Official Seal of the State Corporation Commission, at Richmond, this 25 day of April A. D. 19 91



William J. Bridge

Clerk of the Commission

233719

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

RICHMOND, November 16, 1984

The accompanying articles having been delivered to the State Corporation Commission on behalf of

The Sheltered Workshop in Farmville, Incorporated

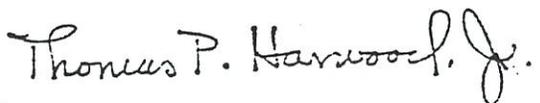
and the Commission having found that the articles comply with the requirements of law and that all required fees have been paid, it is

ORDERED that this CERTIFICATE OF AMENDMENT

be issued, and that this order, together with the articles, be admitted to record in this office of the Commission; and that the corporation have the authority conferred on it by law in accordance with the articles, subject to the conditions and restrictions imposed by law.

Upon the completion of such recordation, this order and the articles shall be forwarded for recordation in the office of the Clerk of the Circuit Court, Prince Edward County .

STATE CORPORATION COMMISSION



By _____

Commissioner

113263

173

ARTICLES OF AMENDMENT

OF

THE SHELTERED WORKSHOP IN FARMVILLE, INCORPORATED

Pursuant to the provisions of Section 13.1-237 of the Code of Virginia, 1950, as amended, the undersigned corporation, by its President and Secretary, sets forth as follows:

(a) The name of the corporation is The Sheltered Workshop in Farmville, Incorporated.

(b) The amendments adopted to the Articles of Incorporation dated August 19, 1982, are as follows:

7. Said corporation is organized exclusively for charitable and educational purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under Section 501(c)(3) in the Internal Revenue Code.

8. No part of the net earnings of the corporation shall inure to the benefit of, or be distributed to its members, trustees directors, officers, or other private person, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in paragraph 7 herein. No substantial part of the activities of the corporation shall be the carrying on of propaganda or otherwise attempting to influence legislation, and the corporation shall not participate in nor intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these articles, the corporation shall not carry on any other activities

not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1954 (or a corresponding provision of a later code), or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1954.

9. Upon the dissolution of the corporation, the Board of Directors shall, after paying or making provisions for the payment of all liabilities of the corporation, dispose of all of the assets of the corporation exclusively for the purposes of the corporation in such a manner, or to such organization or organizations organized and operated exclusively for charitable, educational, religious or scientific purposes as at that time shall qualify as an exempt organization or organizations under Section 501(c)(3) of the Internal Revenue Code of 1954, as the Board of Directors shall determine. Any such assets not so disposed of shall be disposed of by the Circuit Court of the County of Prince Edward, Virginia, this being the county of the principal office of the corporation, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

(c) The Board of Directors of The Sheltered Workshop in Farmville, Incorporated, met on July 27, 1984, and approved the amendments hereinabove set forth as being in the best interest of the corporation and directed that said amendments be submitted to the voting members; notice was duly mailed to each voting member on July 27, 1984, pursuant to Section 13.1-214. Said voting members approved the said amendments to the Articles of Incorporation on August 27, 1984, after receiving adequate notice pursuant to Section 13.1-236 of the Code of Virginia, 1950, as amended. There

was quorum present at said special meeting and the amendments received unanimous approval by all parties entitled to cast votes as a member.

(d) This amendment does not delete any of the Articles of Incorporation as approved by the Commonwealth of Virginia State Corporation Commission on September 17, 1982.

THE SHELTERED WORKSHOP IN FARMVILLE,
INCORPORATED

By Timothy W. Whitaker
Its President

ATTEST:

Michael L. Boykin
Its Secretary

STATE OF VIRGINIA:

AT LARGE, to-wit:

The foregoing instrument was acknowledged before me this 27th day of August, 1984, by Timothy W. Whitaker, President, and Michael L. Boykin, Secretary, of The Sheltered Workshop in Farmville, Incorporated.

[Signature]
Notary Public

My commission expires: July 31, 1988

A copy of Order recorded in Charter Book
at page 217.

Teste:

Dollie R. Noble, Clerk
By: Carlton R. Blessing, D.C.

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

AT RICHMOND,

September 17, 1982

The accompanying articles having been delivered to the State Corporation Commission on behalf of

The Sheltered Workshop in Farmville, Incorporated

and the Commission having found that the articles comply with the requirements of law and that all required fees have been paid, it is

ORDERED that this CERTIFICATE OF INCORPORATION

be issued, and that this order, together with the articles, be admitted to record in the office of the Commission; and that the corporation have the authority conferred on it by law in accordance with the articles, subject to the conditions and restrictions imposed by law.

Upon the completion of such recordation, this order and the articles shall be forwarded for recordation in the office of the clerk of the Circuit Court, Prince Edward County

STATE CORPORATION COMMISSION

By Thomas P. Harwood, Jr.
Commissioner

Virginia:

In the Clerk's Office of the Circuit Court, Prince Elward County,
October 13, 1982.

The foregoing Certificate (including the accompanying articles) has been duly recorded in my said office this 13th day of October, 1982, and is now returned to Robert A. Bruce, registered agent for said Corporation. **930022**

Walter R. Noble, Clerk

ARTICLES OF INCORPORATION

OF

THE SHELTERED WORKSHOP IN FARMVILLE, INCORPORATED

We hereby associate to form a nonstock corporation under the provisions of Chapter 2 of Title 13.1, Code of Virginia, 1950, as amended, and to that end set forth the following:

1. The name of the corporation shall be The Sheltered Workshop in Farmville, Incorporated.

2. The purpose of this corporation shall be to train and rehabilitate individuals with mental, physical and/or emotional handicaps.

Without limitation by virtue of the preceding sentence, the corporation shall have the power to engage in any business not prohibited by law or required to be stated in the Articles of Incorporation.

3. The corporation shall have one class of members with membership based on supporting the purpose of the organization and payment of annual dues. All members shall have one vote.

4. The directors and officers of the corporation shall be elected by the general membership of the corporation.

5. The initial registered office shall be located at 200 High Street, Farmville, Virginia, in the County of Prince Edward. The initial registered agent shall be Robert A. Bruce, whose business address is the same as the initial registered office, who is a resident of Virginia and a member of the Virginia State Bar.

6. The number of directors constituting the initial Board of Directors shall be three. They are:

Patrice W. Payne Post Office Box 37, Rice, Virginia

John F. Lewis, Jr. 1400 Lee Drive, Farmville, Virginia

Vicki L. Lash

424 D. Winston Street, Farmville, VA

Dated this 19th day of August, 1982.

Patrice W. Payne (SEAL)
Patrice W. Payne

John F. Lewis, Jr. (SEAL)
John F. Lewis, Jr.

Vicki L. Lash (SEAL)
Vicki L. Lash

STATE OF VIRGINIA:

AT LARGE, to-wit:

The foregoing instrument was acknowledged before me by

Patrice W. Payne, John F. Lewis, Jr., AND
Vicki L. Lash this 19th day of August, 1982.

Robert A. Bruce
Notary Public

My commission expires:

July 27, 1984

BY-LAWS

STEPS, Inc.

ARTICLE I: MISSION

STEPS is committed to creating, coordinating and delivering quality comprehensive services in an effort to foster self-sufficiency and eliminate poverty.

ARTICLE II: CORPORATE OFFICE

The office of the Corporation shall be located on Route 676 in Prince Edward County, 225 Industrial Park Road, Farmville, VA 23901. The Corporation may also maintain offices at such other places within or without the United States as the Board of Directors may, from time to time, determine.

ARTICLE III: MEMBERSHIP

The Corporation shall have no members.

ARTICLE IV: BOARD OF DIRECTORS

Section 1 - Number, Election and Term of Office

- (a) The number of directors of the Corporation shall not be more than twenty-five (25) unless otherwise determined by vote of the Board of Directors.
- (b) Except as may otherwise be provided herein or in the Articles of Incorporation, the members of the Board of Directors of the Corporation shall be elected by a vote at the annual meeting.
- (c) Each director shall be seated for a term of three years, with five directors being elected each year creating a staggered term board. Should it please the Board, directors may be re-elected for additional terms.
- (d) Any vacancy in the Board of Directors occurring by reason of an increase in the number of directors, or by reason of the death, resignation, disqualification, removal or inability to act of any director, or otherwise, shall be filled for the unexpired portion of the term by a vote of the remaining directors at any regular meeting or special meeting of the Board of Directors called for that purpose.

Section 2 - Duties and Powers

- (a) The Board of Directors shall ensure the control and management of the affairs, property and interests of the Corporation and may exercise all powers of the Corporation.
- (b) The Board of Directors shall be responsible for the hiring of a Chief Executive Officer.

- (c) The Board of Directors shall set policy for the control and management of the affairs, property and interests of the Corporation and may exercise all powers of the Corporation.
- (d) The Board of Directors shall approve the annual budget and shall be authorized to borrow such sum or sums of money as necessary to transact business.
- (e) The Board of Directors may empower the Executive Committee with such powers of management and control as the Board of Directors itself may have, without those actions being ratified or approved by the full Board of Directors. At the next regularly scheduled meeting, the minutes of the Executive Committee will be disseminated to the full Board.

Section 3 - Meetings

- (a) Annual Meeting – The annual meeting of the Board of Directors shall be held on the fourth Thursday of June for the purpose of electing directors, and transacting such other business as may properly come before the meeting.
- (b) Regular Meeting – The regular meeting of the Board of Directors shall be held on the fourth Thursday of July, October, January and April. The Board will normally meet in the Board room of the Corporate Office on Route 676, in Prince Edward County, 225 Industrial Park Road, Farmville, VA. Any changes will be included with the Board package mailed seven (7) days prior to all meetings. In the event of inclement weather, the board meeting may, at the discretion of the Executive Committee or the Board of Directors, be rescheduled at a later date during that month, or canceled for the month.
- (c) Special Meeting – Special meetings of the Board or Directors may be held at any time and place upon the call of the Chairman or any three directors.
- (d) One third of the board membership being bodily present shall constitute a quorum except when action involves personnel issues or amendments to these By-Laws shall require two thirds to constitute a quorum.

Section 4 - Attendance

Directors are encouraged to attend a minimum of one-half of the meetings. Members unable to fulfill this requirement are requested to contact the Chief Executive Officer.

Section 5 - Manner of Acting

The Board of Directors may permit any or all directors to participate in a regular or special meeting by, or conduct the meeting through the use of, a land-line telephone connection by which all directors participating may simultaneously hear each other during the meeting. The Chief Executive Officer is granted the discretion to determine if the director(s) participating by a telephone connection can hear and be heard in a manner to enable his/her/their participation. A director participating in a meeting by this means is deemed to be present in person at the meeting.

Section 6 - Resignation

A director may resign at any time by giving written notice to the Board of Directors. Unless otherwise specified in such written notice, such resignation shall take effect upon receipt thereof by the Board of Directors, and the acceptance of such resignation shall not be necessary to make it effective.

Section 7 - Removal

Any director may be removed with or without cause at any time by the Board upon action of the Board. A Board stated quorum will be necessary for said removal.

Section 8 - Salary

No salary shall be paid to directors.

Section 9 - Adjournment

A majority of the directors present at the time and place of a meeting, although less than a quorum may adjourn the same from time to time without notice, until a quorum shall be present.

ARTICLE V: OFFICERS

Section 1 - Election of Officers

- (a) The Board of Directors shall at its annual meeting elect the officers of the Board: Chair, Vice-Chair, Secretary and Treasurer.
- (b) Officers shall be elected to a one year term.
- (c) The Board shall at the next regularly scheduled meeting or special meeting called therefore, fill all vacancies occurring among the officers.

Section 2 - Duties of Officers

- (a) Chair – Preside over all meetings and direct all official functions; appoint and direct all committee business.
- (b) Vice Chair – Preside in the absence of the Chair; serve as the Chair-of the Policy Committee.
- (c) Secretary – Serve as Chair of the Nominating Committee; maintain accurate minutes of all meetings, sign minutes, and distribute to appropriate individuals.
- (d) Treasurer – Serve as Chair-of the Finance Committee and the Human Resources & Compensation Committee.

Section 3 - Vacancies

The Board at the next regularly scheduled meeting or special meeting called therefore, fill all vacancies occurring among the officers of the Board.

ARTICLE VI: COMMITTEES

Section 1 - Standing Committees

The Board of Directors shall establish the following standing committees. The Chair(s) of Standing Committees must be an elected officer of the Board of Directors. Each committee will be staffed by a member of the STEPS senior executive team.

- (a) Executive Committee: The Executive Committee shall be comprised of the Chair, Vice Chair, Secretary, Treasurer and one member at large, preferably the Immediate Past Chair, to serve in the event that one of the designated officers is unable to attend the meeting.
- (b) Nominating Committee: The Secretary of the Board shall serve as Chair of the committee with the purpose being to compile an annual slate of officers and to compile nominations for new board membership.
- (c) Finance Committee: The Treasurer of the Board shall serve as Chair of the Committee and will provide oversight to ensure the ongoing financial health of STEPS.
- (d) Policy/By-Laws Committee: The Vice-Chair shall serve as Chair of this committee and will review annually the Corporation's By-Laws and make recommendations to the full board in regards to amendments and policy matters.
- (e) Human Resource & Compensation Committee: The Treasurer shall serve as Chair of this committee and will assist in the recruiting/hiring of senior management-level employees and will review compensation packages, for all STEPS employees to insure said compensation aligns with the financial goals and performance of the corporation.

Section 2 - Other Committees

Other committees may be established as the Board deems desirable. The Chair(s) of Standing Committees must be an elected officer of the Board of Directors. Each committee will be staffed by a member of the STEPS senior executive team.

Section 3 - Membership

- (a) Committee membership shall be comprised of Board members and interested community volunteers.
- (b) Committee membership shall be appointed by the Chair of the Board with each committee serving at the pleasure of the Board.

ARTICLE VII: DELEGATION OF OPERATION

Section 1 - The Board of Directors shall contract with a Chief Executive Officer who shall be accountable to the Board.

Section 2 - The Chief Executive Officer shall be responsible for the day to day operation of the Corporation, responsible for the hiring and firing of all staff and shall perform duties outlined in the job description

and contract.

- Section 3 - The Chief Executive Officer shall be the executive agent of the Board of Directors.

ARTICLE VIII: CONFLICT OF INTEREST

No person who receives compensation for services rendered or commissions of any kind from the organization shall be eligible for membership on the Board of Directors, except under the following condition: Any proposed contract for the production of goods or the performance of services of any type between STEPS, Inc. and any director or any corporation in which such director is a director, controlling stockholder or officer, or any firm partnership owned or controlled by such director must be approved by an affirmative vote of two-thirds of the members of the Board of Directors; and written notice of any such proposed action must be given to all Board members at least one week prior to any such proposed action. Such director shall have no vote in such cases.

ARTICLE IX: INDEMNIFICATION

- Section 1 - The Corporation, acting through the Board of Directors, shall indemnify any person who at any time was or is a party, or who is threatened to be made a party, to any threatened, pending or completed action, suit, or proceeding, whether civil, criminal administrative, arbitrative, or investigative (whether or not by or in the right of the Corporation), by reason of the fact that he is or was a Director or officer of the Corporation, or is or was serving at the request of the Corporation as a Director or officer of any other entity or enterprise, against all expenses (including attorneys fees), judgments, fines and amounts paid in settlement actually and reasonable incurred by him in connection with or with the defense or settlement of such action, suit, or proceeding as and to the full extent presently or hereafter permitted, provided, or required by Section 13.1-205.1 (a through e) of the Virginia Non-Stock Corporation Act.
- Section 2 - The Board of Directors may determine by vote to make any other or further indemnity of any person as is presently or may hereafter be permitted by Section 13.1-205.1 (f) of the aforesaid Act.
- Section 3 - The Corporation, acting by or through the Board of Directors, shall endeavor to purchase and maintain in continuous force and effect a suitable policy or policies of liability insurance covering, at a minimum, all persons identified in Section 1 of this Article.

ARTICLE X: AMENDMENTS

These By-Laws may be altered, amended, or repealed at any regular meeting by a two thirds vote of the membership of the Board of Directors present, provided that written notice of the proposed amendment has been mailed to each member, at last known address, at least the (10) days prior thereto. These By-Laws shall be reviewed annually in the second quarter of the fiscal year, by the By-Laws Committee, which will recommend necessary changes to the full Board of Directors.

ARTICLE XI: RULES OF ORDER

When not otherwise in conflict with these By-Laws, Robert's Rules of Order Revised shall govern the conduct of all meetings of the Board of Directors.

APPROVED ON AUGUST 1, 1991

Reviewed/Revised: June 27, 1997
October 16, 1997
April 20, 2000
June 21, 2001
October 18, 2001
June 19, 2003
June 22, 2004
June 16, 2005
June 15, 2006
June 21, 2007
June 12, 2008
June 18, 2009
June 17, 2010
June 16, 2011
January 19, 2012
June 21, 2012
June 27, 2013
August 8, 2013
June 26, 2014
August 25, 2014

Board of Directors

President & Chief Executive Officer

Executive Leadership Team
Vice President of Administration and Compliance
Vice President of Financial and Community Development Operations
Vice President of Employment Services and Business Operations

Vice President of Administration and Compliance

Human Resources

Administrative Support

Compliance
State Regulations
Federal Regulations

Vice President of Financial and Community Development Operations

Finance

Housing Division
HPP/ESG
Dominion Power EnergyShares

Vice President of Employment Services and Business Operations
THIS POSITION IS CURRENTLY VACANT

School Systems
Transitional Work Adjustment
Situational Assessment

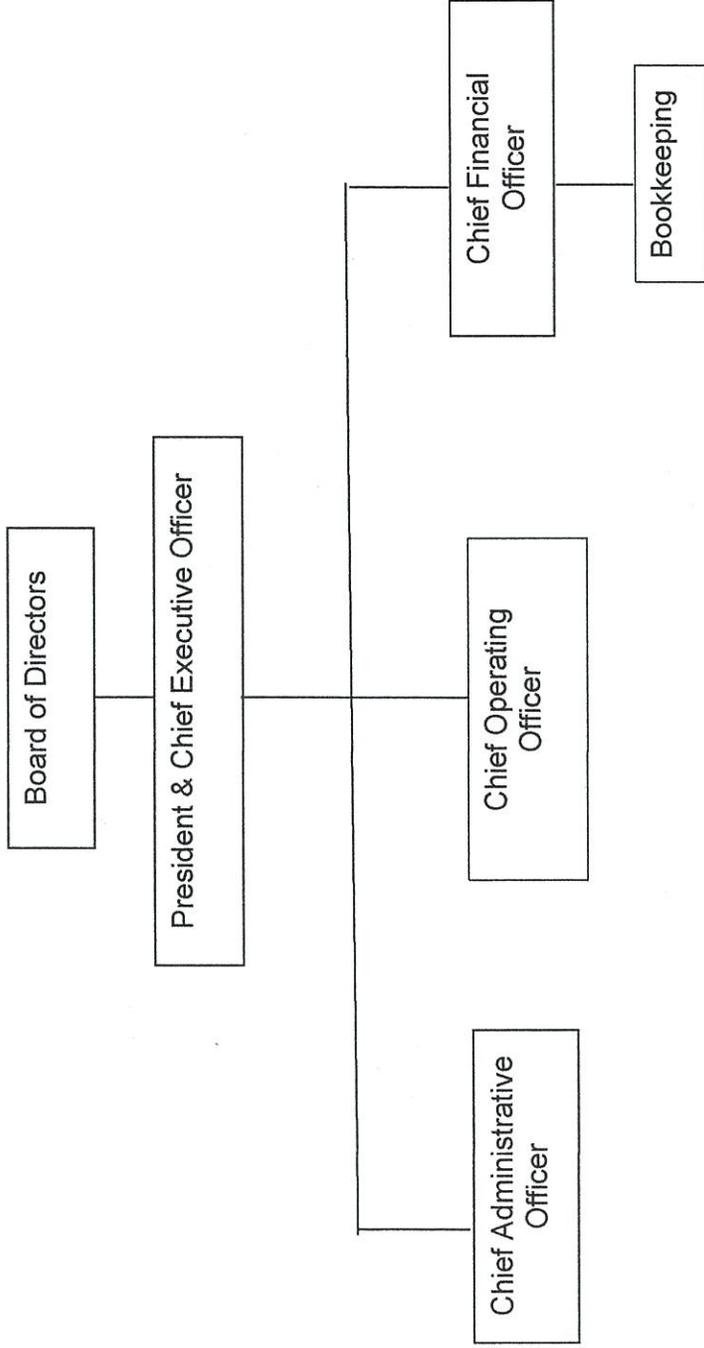
Business Operations
Recycling
Shredding
Sewing

DARS
Title V
Job Training
Job Placement

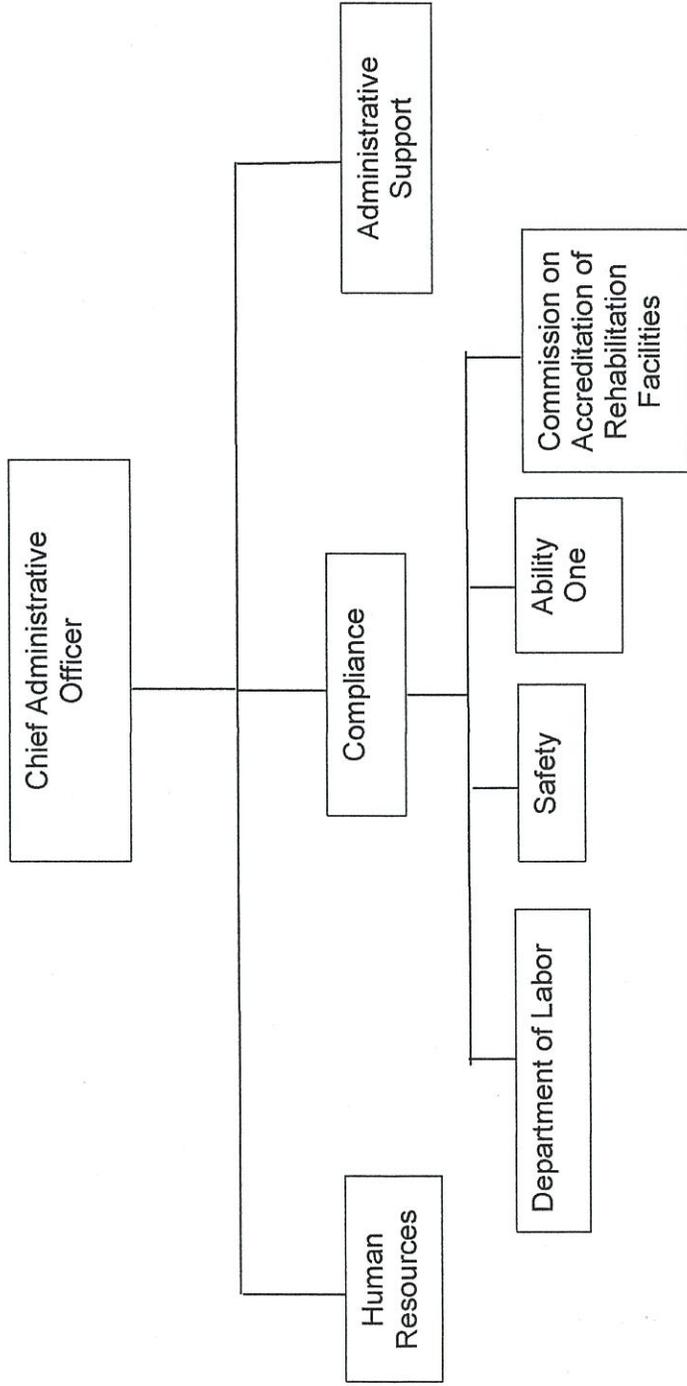
Transportation
Vocational Agency

Department of Social Services
TANF/Workplace Supports

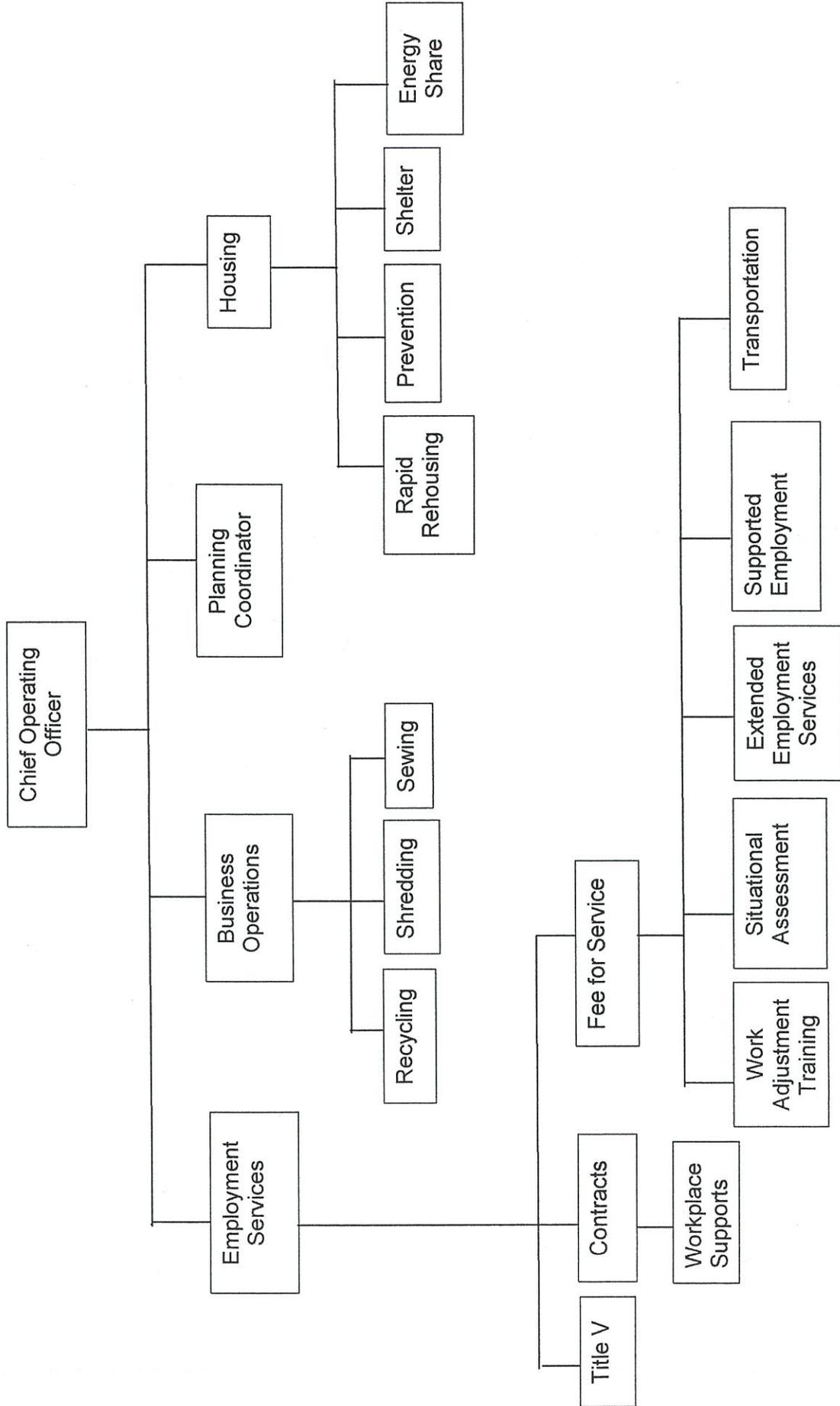
STRATEGIC ORGANIZATIONAL CHART



STRATEGIC ORGANIZATIONAL CHART



STRATEGIC ORGANIZATIONAL CHART



Narrative Explanation of Expenses

Wages – Includes staff and production employee wages in addition to wages for participants

Fringe – Includes health insurance, dental insurance, life insurance, FICA, Medicare, long term disability, unemployment

Communications – Includes telephone, internet, postage

Utilities – Includes water, sewer, electricity, propane

Insurance – Includes, property, workers compensation, directors and officers liability, volunteer insurance, bonding, manufacturers insurance

Loan Payments – Repayments for loan for equipment and building

Staff Development/Training - Classes, seminars, workshops to enhance employees' skill levels for their positions

Supplies – Office (pencils/paper/staples, etc.), production (marking pencils, time cards), vehicle (fuel additive, windshield washer fluid, etc.)

Equipment – Computers, 26 foot box truck, 2 cars, sewing machines, pallet jack, front loader, telephone equipment replacement

Client Assistance – Rent and Utility payments, hotel payments, food and hygiene assistance

Recycling Expense – Disposal service

Sewing Expense – Material and accessory items (thread, buttons, rope)

Repair & Maintenance -- Building repairs, equipment repairs, vehicle repairs

Contract – Space, business office services, copy machine maintenance

Leases -- Building space, box car leases (Penske), and equipment leases

Transportation – Fuel

Professional Membership – Commission on Accreditation of Rehabilitation Facilities (CARF), Source America (NISH), National Association of Information Destruction (NAID)

Miscellaneous Expense – Items that are unexpectedly need addressing particularly in the Homeless Program and are not in existing line item expenses

Uniform Expenses – Uniforms for our Security Destruction Department personnel

Professional Services – Audit, legal, program consulting services

Advertising Marketing – Classified position ads and ads for our business service departments

Computer Expense – Network replacement, IT assistance, computer replacements

Printing/Copying – Annual report and other large document printing, business cards, business service documents

Fees Commissions – Commissions for business department operations

STEPS, Inc.

**STAFF
PERSONNEL POLICIES**

Farmville, VA

STEPS, Inc.
STAFF PERSONNEL POLICIES

1. INTRODUCTION

- 1.01 Welcome
- 1.02 History
- 1.03 Chief Executive Officer's Letter
- 1.04 Authority and Distribution
- 1.05 At Will Employment
- 1.06 Chain of Command
- 1.07 Open Door Policy
- 1.08 Code of Ethics
- 1.09 Organization Strategic Plan
- 1.10 Organization Manuals

2. HIRING AND ORIENTATION

- 2.01 Affirmative Action/Civil Rights
- 2.02 Equal Employment Opportunity
- 2.03 Americans with Disabilities Act
- 2.04 Hiring Practices
- 2.05 Definitions of Employment Status
- 2.06 New Employee Orientation
- 2.07 Job Descriptions
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- 3.02 Organization Closings
- 3.03 Absence and Tardiness
- 3.04 Travel Reimbursement

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- 4.02 Wages and Salaries
- 4.03 Method and Time of Payment
- 4.04 Overtime and Compensatory Time
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- 5.03 Layoff
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- 6.05 Bereavement Leave
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- 6.08 Leave of Absence
- 6.09 Group Health and Dental Insurance
- 6.10 Group Life Insurance
- 6.11 Tax Sheltered Annuity
- 6.12 Worker's Compensation
- 6.13 Unemployment Compensation
- 6.14 Social Security
- 6.15 Professional Liability Insurance
- 6.16 Travel
- 6.17 Food Facilities
- 6.18 Social and Recreational Activities
- 6.19 Parking
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- 6.21 Annual Employee Development Plan
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- 7.02 Standards of Conduct
- 7.03 Drug Free Workplace
- 7.04 Safety Rules
- 7.05 Confidentiality
- 7.06 Abuse of Participants
- 7.07 Sexual Harassment
- 7.08 Dress Code
- 7.09 Solicitations
- 7.10 Telephone Use

- 7.11 Conflict of Interest
- 7.12 Speaking to the Media
- 7.13 Smoking
- 7.14 Nepotism
- 7.15 Lost and Found
- 7.16 Personal Property
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- 7.18 Workplace Violence

8. COMPLAINT AND GRIEVANCE PROCEDURE

- 8.01 Grievance Procedure

9. TERMINATION OF EMPLOYMENT

- 9.01 Notice of Resignation
- 9.02 Fringe Benefits
- 9.03 Exit Interview
- 9.04 Release of Job References

APPENDIX

- Organizational Chart
- Information on Employee Rights
- Employee Rights and Responsibilities under the
Family and Medical Leave Act
- HIPAA Notice of Privacy Practices
- Quality Policy Statement
- Health and Safety Handbook

STEPS, Inc.

Policy Title: INTRODUCTION - Welcome

Policy No.: 1.01

STEPS, Inc. welcomes you as part of its team of competent, dedicated employees working together to achieve our Organization's mission: "To provide employment opportunities and related services to individuals with diverse abilities in our communities." We know that you will find your role both rewarding and challenging.

These policies have been established so that all employees will understand their mutual rights and responsibilities in the achievement of our Organizational goals.

Welcome to STEPS, Inc.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: INTRODUCTION - History

Policy No.: 1.02

The "Tri-County Sheltered Workshop" was founded in 1976 in Farmville as a satellite program of Lynchburg Sheltered Industries. In 1982, with the cooperation of Lynchburg Sheltered Industries, the Farmville workshop formed its own Board of Directors and applied for its own private, not-for-profit incorporated status. In doing so, the Board of Directors changed the name to "The Sheltered Workshop in Farmville, Inc." In August 1990, the management of the workshop changed along with the name of the organization. The name was changed to "Southside Training, Employment and Placement Services, Inc." but utilizes the trade name "STEPS, Inc." The name change reflected the new purpose of the facility: to provide job training and employment opportunities. We currently provide services in eleven (11) jurisdictions: Amelia, Appomattox, Brunswick, Buckingham, Charlotte, Cumberland, Halifax, Lunenburg, Mecklenburg, Nottoway and Prince Edward. We also provide job training and placement services to welfare recipients through our Community Employment Division. Employment outcomes can range from unsubsidized competitive employment in the individual's home community or employment within our organization.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: INTRODUCTION –
Chief Executive Officer's Letter

Policy No.: 1.03

Every position within the STEPS, Inc. structure is an integral part of this organization. Regardless of your job title, you are in a position to contribute toward our mission. In other words, you are an important and valued employee. I sincerely hope that your dedicated efforts will bring you personal and professional satisfaction and the rewarding feeling that you are a valued member of our team.

The purpose of these personnel policies is to provide a guide that, if followed, works toward the mutual benefit of everyone involved with STEPS. As with teams, certain guidelines must be established so that everyone works toward a common goal. The policies and procedures contained in this manual will provide the information you need to become a contributing member of our team.

The policies in this manual are very important to you and to our organization. It establishes your rights and responsibilities as an employee and the rights and responsibilities of the organization as your employer. I encourage you to take the time to understand all of the information contained in the following pages. If you have any questions, concerns, or suggestions, please let me know or contact STEPS' Human Resource Manager.

This manual will be revised as policies and procedures evolve. It is important that you keep this manual for reference. As revisions are made, you will be provided with replacement pages. Replacement copies of this manual are available by contacting the Human Resource Manager.

Welcome to the STEPS team!

Sharon L. Harrup, MS
Chief Executive Officer

**Approved: Personnel Committee
Board of Directors**

**Effective: 10/16/2003
Revised: 03/01/2007**

STEPS, Inc.

Policy Title: INTRODUCTION – Authority and Distribution **Policy No.:** 1.04

The Board of Directors of STEPS, Inc., upon recommendation of its Personnel Committee, has the authority to revise the policies contained in this manual. At least annually, the Personnel Committee reviews this manual to determine if changes are indicated.

Each employee receives a copy of this manual during orientation. Employees are encouraged to recommend changes to the Chief Executive Officer or the Human Resource Manager at any time.

**Approved: Personnel Committee
Board of Directors**

**Effective: 10/16/2003
Revised: 03/01/2007**

STEPS, Inc.

Policy Title: INTRODUCTION – At Will Employment

Policy No.: 1.05

Employment at STEPS, Inc. is at will and of indefinite duration. Either you as an employee or the organization may terminate employment at any time and for any reason. No agreement to the contrary is recognized unless such an agreement is in writing and signed by the Chief Executive Officer. These personnel policies are not all inclusive and no employment contract is expressed or implied.

Approved: Personnel Committee
Board of Directors

Effective: 10/16/2003
Revised: 03/01/2007

STEPS, Inc.

Policy Title: INTRODUCTION – Chain of Command

Policy No.: 1.06

The Board of Directors of STEPS, Inc. is responsible for setting policies for its staff members. The Board employs the Chief Executive Officer, to whom it delegates responsibility for the day to day administration of the organization. The Chief Executive Officer manages the staff, using policies approved by the Board of Directors.

STEPS staff is accountable to the Chief Executive Officer, through whom all communication with the Board of Directors is channeled. A staff member who does not follow this policy of channeling information through the Chief Executive Officer may be subject to disciplinary action.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

Revised: 03/05/2007

STEPS, Inc.

Policy Title: INTRODUCTION – Open Door Policy

Policy No.: 1.07

Following the appropriate channels of communication, all employees are encouraged to provide input and suggestions concerning the overall operation and programs of STEPS, Inc. You are urged to initially bring your comments to your immediate supervisor. In those cases where this may be inappropriate, you may approach your department head or the Chief Executive Officer.

STEPS operates in an “open door” manner. All input from employees is considered and should be presented without fear of personal recrimination.

**Approved: Personnel Committee
Board of Directors**

**Effective: 10/16/2003
Revised: 03/01/2007**

STEPS, Inc.

Policy Title: INTRODUCTION – Code of Ethics

Policy No.: 1.08

It is the policy of STEPS, Inc. to promote good values and positive, professional relations among employees, participants, Board of Directors and all other individuals in contact with STEPS. Towards that end, the following code of ethics has been established with which all employees are expected to comply.

Relations with other employees:

- Respect the rights and views of fellow employees and treat them with fairness, courtesy and good faith.
- Respect the differences of all employees.
- Develop working relationships that respect individual talents and capabilities.
- Participate in dialogue with all employees, which include listening, talking, clarifying, and writing.
- Share expertise and information with other employees who are seeking assistance.
- Be objective, fair, and responsible when supervising and evaluating another employee.
- Maintain confidentiality.
- Be responsible and report to your supervisor if another employee has violated ethical standards.
- Avoid personal relations with participants.

Relations with the Board of Directors:

- Respect the position and role of each Board member.
- Avoid relationships or commitments that conflict with the interest of the Board or agency.

Relations with other businesses/contractual relationships/outside contacts/ financial practices:

- Maintain and promote a professional attitude and positive image while representing STEPS, Inc.
- When engaged in a supplier relationship, seek the best and most cost effective products and services.
- Avoid any personal gain or benefit from outside associations, which arise because of employment with STEPS, Inc.

Marketing Activities:

- Adhere to and work towards the mission of STEPS, Inc.
- Participate in the overall agency development and management through departmental meetings, planning sessions and any other opportunities presented.

Relations with Participants:

- Provide services without regard to age, race, creed, color, sex, disability, national origin, ancestry, sexual orientation, or any other basis as prohibited by State or Federal law.
- Treat all participants with dignity, value, and respect.
- Display a genuine interest in all participants and be committed to providing services in the participant's best interest.
- Provide efficient, pertinent, and effective services for participants and their caregivers.
- Respect the privacy of participants and maintain the confidentiality of participant records.
- Avoid relationships or commitments that conflict with the interest of participants.
- Avoid personal relations with participants.
- Respect the relationships between participants and other organizations in the initiation of services, minimizing the risk of confusion and conflict.
- Respect the diverse needs of participants and act in a manner that upholds their human and civil rights.
- Promote independence and productivity.

Other:

- Evaluate one's own strengths, limitations, biases and effectiveness.
- Strive to become and remain proficient in the skills needed for one's own position.
- Accurately represent one's own education, training, experience and competencies.
- Avoid internal/external relations that could impair judgment.
- Avoid engaging in or condoning any form of harassment or discrimination.
- Understand that all information produced at STEPS, Inc. for its programs, education and public relations remains the property of STEPS.
- Be honest and open, maintaining integrity and sincerity.
- Maintain respect for agency policies, procedures, and decisions.
- Use the resources of the organization only for the purposes for which they were intended.
- Act in accordance to high standards of professional integrity, adhering to all applicable laws and regulations.
- Correct, whenever necessary, false, misleading, or inaccurate information and presentations made by others concerning STEPS.
- Always approach any work-related problem in a problem solving manner, rather than complaining about the presumed reasons for the problem.
- During employment and upon employment termination, respect the integrity and reputation of STEPS through maintaining confidentiality of sensitive information including employee records.
- Understand that a violation of the Code of Ethics may be grounds for dismissal.

- Whistleblowers and others who make protected disclosures in good faith shall not be retaliated against in any manner, with the intent of adversely affecting the terms or conditions of employment or enrollment (including but not limited to, threats or physical harm, loss of job, adverse or punitive work assignments or impact on salary or wages) and shall be protected from such retaliation by STEPS. This protection from retaliation is not intended to prohibit supervisors or administrators from taking action, including disciplinary action, in the usual scope of their duties and based upon valid performance related factors. Whistleblowers and others who believe they are the subject of prohibited retaliation should promptly report such actions to the Human Resource Manager.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

Revised: 02/28/2009

Revised: 02/29/2012

STEPS, Inc.

Policy Title: INTRODUCTION –
Organization Strategic Plan

Policy No.: 1.09

STEPS, Inc. has an organization Strategic Plan which outlines our mission, values, strengths and weaknesses, opportunities and threats, and spells out our five year plan for the accomplishment of our mission. This long range plan identifies goals and objectives for the next five years and an action plan for the current year. The results of the actions specified in the plan are reviewed annually by the administrative staff and Board of Directors to determine progress. You are urged to review the current Strategic Plan for STEPS, Inc. to identify how your role contributes to the satisfaction of our mission.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: INTRODUCTION – Organization Manuals

Policy No.: 1.10

STEPS, Inc. publishes the following manuals:

1. Personnel Policies – Staff
2. Personnel Policies – Production Worker
3. Personnel Policies – Participant
4. Board Orientation Manual
5. Administrative Policies and Procedures Manual
6. Health and Safety Handbook
7. Safety Committee Manual
8. Safety Policies and Procedures Manual
9. Rehabilitation Policies and Procedures Manual

You are expected to review these documents and use them as reference when policy and procedural questions arise. As always, your suggestions for changes, additions, and/or deletions are welcome.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2005

STEPS, Inc.

Policy Title: HIRING AND ORIENTATION –
Affirmative Action/Civil Rights

Policy No.: 2.01

STEPS, Inc. provides equal employment opportunity to all persons without regard to age, race, creed, color, handicap, marital status, sex, national origin, ancestry, sexual orientation, membership in the national guard, state defense force or any other reserve component of the military services of the United States or this state and promotes the full realization of this policy through a positive, continuing program of affirmative action. STEPS, Inc. is committed to equal opportunity for all applicants and staff members in personnel matters, including recruitment and hiring, benefits, staff development, promotion and transfer, compensation, and voluntary or involuntary termination. The organization strives for an employee base that reflects diversity.

STEPS, Inc. will attempt to achieve and maintain a diverse work force. These steps include, but are not limited to, the following:

1. Pursuing our affirmative action program along with regular review by the Board of Directors.
2. Ensuring that STEPS, Inc. policy regarding equal employment opportunity is communicated to all employees.
3. Ensuring that hiring, promotion, and wage/salary administration practices are fair and consistent with the policies of the corporation.
4. Reporting to the Board of Directors on all activities and efforts to implement the corporation's policy of equal employment opportunities.
5. To the extent that our employee base is not diverse, we will make special recruitment efforts as part of this plan.

Each employee having supervisory responsibility over other employees must provide equal opportunity for all employees with regard to work assignments, staff development, promotion and transfer, and other conditions and privileges of employment and must work to assure a continuation of this policy of affirmative action.

Contact the Human Resource Manager for a copy of our Civil Rights Compliance Action Plan for information on how to file a complaint.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: HIRING AND ORIENTATION –
Equal Employment Opportunity

Policy No.: 2.02

STEPS, Inc. believes that equal opportunity for all employees is important for the continuing success of our organization. In accordance with state and federal laws, STEPS, Inc. will not discriminate against an employee or applicant for employment because of age, race, creed, color, handicap, marital status, sex, national origin, ancestry, sexual orientation, membership in the national guard, state defense force or any other reserve component of the military services of the United States or this state in the hiring, promotion, demotion, or transfer, staff development, benefits, voluntary or involuntary terminations, recommendations, rates of pay, or other forms of compensation. Opportunity is provided to all employees based on the qualifications and job requirements.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: HIRING AND ORIENTATION –
Americans with Disabilities Act

Policy No.: 2.03

STEPS, Inc. encourages applications from persons with disabilities and does not discriminate against them in any way. STEPS, Inc. complies with the Americans with Disabilities Act (ADA) of 1990, by:

- Considering all applicants with disabilities for employment using the same criteria as are used for the employment of persons who do not have disabilities.
- Considering employees with disabilities for promotion or transfer using the same criteria as are used for the promotion or transfer of employees who do not have disabilities.
- Taking steps to make our physical facilities barrier-free and accessible according to appropriate federal and state statutes.
- Making scheduling and other adjustments to reasonably accommodate employees with disabilities.
- Providing training to employees in the provisions of the ADA and their role in adhering to its provisions.
- Posting notices explaining the provisions of the ADA and employees rights under this law.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

Revised: 01/15/2008

STEPS, Inc.

Policy Title: HIRING AND ORIENTATION –
Hiring Practices

Policy No.: 2.04

It is the policy of STEPS, Inc. to hire the best matched person for a given position and to engage in hiring practices which are fair to both applicants and the organization. STEPS, Inc. posts all vacant staff positions internally to give current staff members, production workers, and participants the opportunity to apply and compete for vacant positions. The organization reserves the right to recruit for all vacant staff and production worker positions outside of STEPS, Inc. in addition to internal posting.

Only those positions which are contained in the organization's budget approved by the Board of Directors may be filled. The Chief Executive Officer and other supervisory staff are authorized to fill vacant positions following these policies and the position's job description in effect at the time of hire.

**Approved: Personnel Committee
Board of Directors**

**Effective: 10/16/2003
Revised: 03/01/2007**

STEPS, Inc.

Policy Title: HIRING AND ORIENTATION –
Definitions of Employment Status

Policy No.: 2.05

1. **Full Time** – is scheduled to work 40 hours per week on a consistent basis.
2. **Part Time** – is scheduled to work less than 40 hours per week on a consistent basis.
3. **Limited Term** – is scheduled to work, on a consistent full or part time basis, for a specified period of time.
4. **Consultant/Contract** – is scheduled to perform a short term, time limited, specific function.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: HIRING AND ORIENTATION –
New Employee Orientation

Policy No.: 2.06

In order to make you feel comfortable in your new position and to help you get to know us, STEPS, Inc. has set up an employee orientation program. This program is designed to give you sufficient information so that you may quickly become familiar with the overall organization's operations as well as the policies and benefits of employment.

Your immediate supervisor will coordinate and conduct your orientation during the first week of your employment. You will have the opportunity to complete various authorizations, receive information regarding various policies, receive the employee handbook and meet personnel with whom you will be working.

In addition, follow-up conferences between you and your immediate supervisor will be held during your introductory period to review various policies and to determine if you are experiencing any problems or difficulties adjusting to your job.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: HIRING AND ORIENTATION –
Job Descriptions

Policy No.: 2.07

STEPS, Inc. maintains a written job description for all positions. In the event that new positions are created through expansion or reorganization as reflected in the organization's budget approved by the Board of Directors, written job descriptions will be prepared by the Human Resource Manager.

STEPS, Inc. job descriptions contain the job title, minimum education and experience qualifications, the responsibility and authority of the position, essential duties or functions, required physical activities, driving and other requirements, the position to whom the position reports, and identification of the positions reporting to the position. Job descriptions are reviewed and approved by the Personnel Committee.

Job descriptions are detailed and explicit as possible. However, occasionally employees are required to perform related duties not specified in the job description. Job descriptions are reviewed by the employee and his/her immediate supervisor at the time of the employee performance appraisal and/or in the event of major responsibility or duty changes.

You are provided with a copy of your current job description during your initial job orientation, when you transfer to a new position within STEPS, Inc. and after any changes have been made in the job description.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: HIRING AND ORIENTATION –
Personnel Files

Policy No.: 2.08

A confidential personnel file is maintained for each employee. This file, which is the property of STEPS, Inc., includes your job application, resume, job description, credentials verification, performance evaluations, correspondence and internal memos, employee development records, leave of absence and attendance information, authorizations for payroll deductions, wage/salary changes, authorizations for benefits, and documentation required by state or other regulatory agencies.

Access to your personnel file is limited to the Chief Executive Officer, Management Team Members and your immediate supervisor.

You are responsible for assuring that all information retained by STEPS, Inc. such as your address, phone number, emergency contacts, etc. remain current.

**Approved: Personnel Committee
Board of Directors**

**Effective: 10/16/2003
Revised: 03/01/2007
Revised: 01/15/2008
Revised: 04/29/2008**

STEPS, Inc.

Policy Title: COMPENSATION – Hours of Work

Policy No.: 3.01

It is the policy of STEPS, Inc. to establish work hours for each staff, based on work load, customer service needs, and the efficient management of personnel resources. Working hours are not the same for all staff. Your immediate supervisor is responsible for establishing your normal schedule.

Each staff member is required to maintain a time sheet logging the hours worked for payroll and cost accounting purposes.

The work week commences at 12:01 AM on Sunday and ends at 12 midnight on Saturday.

**Approved: Personnel Committee
Board of Directors**

**Effective: 10/16/2003
Revised: 03/05/2007**

STEPS, INC.

Policy Title: COMPENSATION – Organization Closings **Policy No.:** 3.02

Occasionally, STEPS, Inc. is required to close for all or a portion of a work day due to weather conditions, equipment malfunctions and other emergency closings. You are urged to listen to your local radio and television stations for announcements of closings.

Below is a listing of announcements that will be made on the local stations regarding the status of STEPS during closings.

1. **“STEPS in Farmville/Victoria closed. Follow Code 1.”**
This means that our transportation system will not operate, but all other employees are expected to report to work at their normal time. Any employee not planning to report to work is expected to call in by 7:00 a.m.

2. **“STEPS in Farmville/Victoria closed. Follow Code 2.”**
This means that our transportation system will not operate, but all other employees are expected to report to work at 9:00 a.m. Any employee not planning to report to work is expected to call in by 9:00 a.m.

If you choose to arrive at work before 9:00 a.m., there may not be a supervisor available to let you in the building.

3. **“STEPS in Farmville/Victoria closed. Follow Code 3.”**
This means NO ONE is expected to report to work. Staff should anticipate having to use annual leave to cover the absence. However, if a member of the staff wishes to work, this is permissible.

Every effort will be made to have these announcements aired as early as possible. Be sure to listen carefully to ensure that the announcement you hear is for the STEPS location in which you work.

If you are unable to get to work or you feel that you should leave work due to inclement weather, you will not be paid for the lost time, but may take earned annual leave in lieu of no pay.

The decision to officially shut down is made by the Chief Executive Officer, in consultation with other staff and the area's Transportation Department.

**Approved: Personnel Committee
Board of Directors**

**Effective: 04/17/2003
Revised: 10/02/2006
Revised: 03/05/2007
Revised: 01/15/2008
Revised: 01/26/2009**

STEPS, Inc.

Policy Title: COMPENSATION – Absence and Tardiness **Policy No.:** 3.03

All staff are expected to be present for their total work schedule, unless excused by their immediate supervisor. Excused absences include illness, industrial injury, leave of absence, vacation, holidays, jury duty, subpoenas and previously approved unpaid leave.

All leave in excess of one day (excluding holidays) must be approved in writing by your immediate supervisor and a copy must be attached to the employee's time record.

If you will be absent or tardy, you are required to contact your immediate supervisor as far in advance as possible, stating the reason you will be unable to perform your duties. Any absence not reported will be considered unexcused.

It is your responsibility to accurately record your absence on your time sheet.

**Approved: Personnel Committee
Board of Directors**

**Effective: 10/16/2003
Revised: 04/22/2009**

STEPS, Inc.

Policy Title: COMPENSATION – Travel Reimbursement **Policy No.:** 3.04

Employees shall be reimbursed for travel at the State approved rate per mile. Travel payment shall be determined as the mileage required to travel on behalf of the organization and for the completions of the organization's business. It does not include travel to and from the place of residence to the assigned work site. However, if the employee is asked to travel to another site on organization business, mileage is determined by subtracting the usual mileage to and from work.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: ADMINISTRATION –
Staff Employment Classifications

Policy No.: 4.01

In order to assist you in interpreting these and other Organizational policies, following are the definitions of a number of staff employment classifications:

Upon date of hire to any STEPS position (except for the Chief Executive Officer), the employee shall be on an introductory period for three (3) months. The immediate supervisor has the opportunity to evaluate the individual and his/her work performance to determine whether performance meets the required standards. Failure to provide satisfactory performance or any breach of the Employee Standards of Conduct (see Policy 7.02) during the introductory period is grounds for termination and is not grievable.

1. **Full-time Exempt Professional Staff:** A person in this category has met all employment conditions and is scheduled to work at least forty (40) hours per week. These staff members are eligible for all personnel benefits offered by STEPS, Inc.
2. **Full-time Non-exempt Professional Staff:** A person in this category has met all employment conditions and is scheduled to work forty (40) hours per week. These staff members will be paid time and a half for any time worked over forty (40) hours in a given week and are eligible for all personnel benefits offered by STEPS, Inc.
3. **Full-time Hourly Employee:** A person in this category has met all employment conditions and is scheduled to work forty (40) hours per week. These employees will be paid time and a half for any time worked over forty (40) hours in a given week. Limited personnel benefits will apply to persons in this category.
4. **Full-time Temporary Employee:** A person in this category has met all employment conditions and is scheduled to work forty (40) hours per week for a finite period of time. These employees will be paid time and a half for any time worked over forty (40) hours in a given week. Personnel benefits do not apply to persons in this category.
5. **Part-time Hourly Employee:** A person in this category is employed for an indefinite period and is scheduled to work less than forty (40) hours per week. Persons in this category are paid on the basis of an established hourly wage. Limited personnel benefits will apply to persons in this category.

6. **Contractual Employee:** A contractual employee shall negotiate with the Chief Executive Officer for salary and benefits. These shall be stated in a Contract for Services that shall be effective for a specified period of time and reviewed at least annually.

7. **Workers (Participants):** Workers will be paid on an hourly or piece rate basis subject to Department of Labor standards. This classification applies only to individuals with disabilities who are considered "disabled" for the job for which they are being paid to perform. Limited personnel benefits will apply to persons in this category.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

Revised: 03/05/2007

STEPS, Inc.

Policy Title: ADMINISTRATION – Wages and Salaries **Policy No.:** 4.02

The wages and salaries of all staff members are based on the nature of the work performed.

Your wage or salary is determined by several factors:

1. The minimum related education and experience required for the job.
2. Your related experience and education in relation to the minimum required.
3. Your performance in relation to your Job Description and other relevant factors as determined by the results of your most recent Employee Performance Evaluation.
4. The dollar amount budgeted for your position.

Employee Performance Evaluations and resulting assessment of your related experience and education in relation to the requirements of your position form the basis of any wage or salary adjustment. These evaluations and assessments are completed:

1. At hire (wage or salary assessment only).
2. Within 3 months of your hire.
3. Upon promotion or transfers to another position.
4. Prior to completion of your promotion or transfer adjustment period.
5. Annually on date of your hire.

The Chief Executive Officer is responsible for coordinating and authorizing all staff wage and salary adjustments based on your most recent Employee Performance Appraisal and the dollar amount budgeted for your position.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

Revised: 03/05/2007

STEPS, Inc.

Policy Title: ADMINISTRATION –
Method and Time of Payment

Policy No.: 4.03

All employees are paid by check, after 2 PM on a bi-weekly basis, every other Friday. **NO** checks will be distributed prior to 2 PM on pay day. If a pay period ends on a holiday, every attempt will be made to issue checks on the work day immediately before.

If STEPS is closed due to inclement weather, the following shall apply to issuing pay checks:

1. **“STEPS in Farmville/Victoria closed. Follow Code 1.”**
Checks will be issued after 2 PM.
2. **“STEPS in Farmville/Victoria closed. Follow Code 2.”**
Checks will be made available if authorized personnel are working.

Authorized Personnel include: Farmville Locations
Chief Executive Officer
Employment Services Manager
Manufacturing Manager
Human Resource Manager
Business Manager
Bookkeeper
Boutique Manager
Assistant Boutique Manager

Victoria Location
Chief Executive Officer
Employment Services Manager
Manufacturing Manager
Cutting Department Supervisor
Office Manager

3. **“STEPS in Farmville/Victoria closed. Follow Code 3.”**
Checks will not be issued until STEPS reopens for business.

STEPS is willing to mail your paycheck to a provided address. Checks will be mailed on payday. With your **WRITTEN AND SIGNED** authorization, STEPS will also release your check to a friend or relative with proper identification, if you are absent on pay day.

**Approved: Personnel Committee
Board of Directors**

Effective: 09/08/2004

Revised: 03/01/2007

Revised: 12/09/2009

Revised: 09/29/2010

STEPS, Inc.

Policy Title: ADMINISTRATION –
Overtime and Compensatory Time

Policy No.: 4.04

You may be required to work overtime when it is deemed necessary by your immediate supervisor. Non-exempt staff are compensated at the rate of one and one-half times for hours worked in excess of forty (40) hours in a work week (Sunday through Saturday), provided the overtime has prior approval of their immediate supervisor. Non-work paid absences (such as vacation, holidays, and personal leave) are not included when calculating hours worked and overtime.

Exempt staff (those meeting the criteria for administrative, executive and professional) are not entitled to overtime for hours worked in excess of forty (40) in a work week.

Exempt and non-exempt staff are not eligible for compensatory time.

No overtime is allowed for workshops or conventions.

All non-exempt staff are required to maintain time sheets.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

Revised: 04/22/2009

STEPS, Inc.

Policy Title: ADMINISTRATION – Payroll Deductions

Policy No.: 4.05

All deductions from your gross pay fall into the following categories:

1. Those Required by Federal and/or State Law

- a. Employee's share of Social Security tax
- b. Virginia State withholding tax
- c. Federal withholding tax
- d. Liens

2. Those Authorized by You

- a. Your tax sheltered annuity contribution
- b. Your group health and dental contribution
- c. Your supplemental (AFLAC) contribution
- d. Other

The results of these deductions appear on your pay check stub.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: ADMINISTRATION – Liens

Policy No.: 4.06

STEPS, Inc. incorporates the following fee schedule for each lien received on employees.

Department of Taxation Tax Lien	\$20.00 per lien
County Tax Lien	20.00 per lien
Garnishment Summons	10.00 per garnishment
Division of Child Support Enforcement	5.00 per payroll deduction
Wage Assignments	5.00 per payroll deduction

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: ADMINISTRATION –
Job Performance Evaluation

Policy No.: 4.07

The purpose of the job performance evaluation is to identify the employee's performance level, growth potential and developmental needs. Equally important, the performance evaluation provides an opportunity to recognize good performance and to let employees know their contributions have an impact on the organization. Discussions of employee evaluations not only clarify functions, duties and responsibilities, but should motivate the employee towards improved performance. By giving the employee the opportunity to present options of his/her performance, two way communication is encouraged. Effective job performance is the essence of quality service delivery, and the goal of excellent job performance is inextricably linked to the goal of meeting client needs. Employees and supervisors are mutually responsible for quality assurance, efficiency, ethical conduct, and safety in relationship to work performed. The immediate supervisor is responsible on an ongoing basis for:

1. Clarifying the employee's tasks, priorities, and accountabilities as documented on the job description.
2. Motivating the employee toward improved performance.
3. Fostering a positive and productive work relationship with the employee.
4. Soliciting input from the employee on his/her performance and conduct.
5. Keeping the employee informed as to his/her positive accomplishments, areas in need of improvement and expected standards of performance and conduct.
6. Keeping the employee trained in new methods and procedures that may enhance job performance.
7. Keeping the employee informed of agency program/administration changes, especially as it pertains to his/her job position.

The employee is responsible on an ongoing basis for:

1. Seeking clarification and instructions related to tasks, priorities and accountabilities.
2. Requesting supervision in areas of job difficulty.
3. Carrying out duties and functions to the best of his/her ability.
4. Acting on the job in accordance with STEPS, Inc. standards of conduct and performance.

The procedure for Performance Evaluation: In order to provide a framework for Job performance evaluation, it is determined that two processes are necessary: the informal and formal evaluation.

INFORMAL – The informal process consists of the ongoing supervision provided by the immediate supervisor and the interaction between the immediate supervisor and employee. Since it is the function of STEPS to make employees better in their job performance, it is expected that this ongoing supervisory review will be the basis for identifying problems before they become major difficulties and to point out positive accomplishments on the part of the employee.

The informal process should be recorded on a Corrective Action Form as a written description of the issue, discussion and results agreed upon with the employee. Issuance of a Corrective Action Form is not considered a reprimand. It is merely a tool to record issues and steps intended to motivate and encourage the employee to become more productive and to improve performance/behavior.

FORMAL – The formal evaluation process shall begin during the thirty-day period prior to the employee's scheduled evaluation date. The employee and immediate supervisor need to go over the evaluation in general. A period of time should be allowed for the employee to review the evaluation. The employee may add to or attach any comments regarding the evaluation. While it is the practice of STEPS to recognize the dual nature of the evaluation that calls for input from both immediate supervisor and employee, it is also recognized that the immediate supervisor has the authority to determine the content and recommendations on the final evaluation that is submitted to the Chief Executive Officer.

THREE (3) MONTH JOB PERFORMANCE REVIEW: For three months following your initial employment date, you are in an introductory period. This time is used by both the employee and the employer to evaluate each other to determine whether the working relationship is satisfactory and whether employment should become permanent. If during the introductory period, it is apparent that the position is not right for the employee or that the employee is unwilling or unable to meet the requirements of the work in a satisfactory manner, the employee may be terminated without the right to appeal the dismissal or any recourse to grievance procedure. This will be shown as "unadapted for assigned work," or at the employee's election, "resignation."

Under exceptional circumstances when a fair evaluation of the employee's Performance could not be made within the three month period, the immediate supervisor, with the approval of the Chief Executive Officer, may extend the introductory period by a maximum of three months. It should be emphasized that this would only occur during exceptional circumstances. Upon initial employment, the immediate supervisor should provide an orientation to the employee as to the job tasks and the expectations of the facility for performance of the employee in that job position. The immediate supervisor should also begin the evaluation process at that point by sharing the format and evaluation procedure with the employee. Since the employee is in a new situation, the immediate supervisor should provide an ongoing informal

evaluation procedure on a frequent basis.

ANNUAL JOB PERFORMANCE REVIEW: The annual job performance evaluation for all employees is the means for appraising qualitative and quantitative aspects of the employee's work. This evaluation is to be based on job tasks and specific performance criteria. The immediate supervisor and employee will meet to review the completed evaluation form. The evaluation will obtain quantitative and/or qualitative indication of job performance, delineation of strengths and weaknesses in performing job tasks, any changes in job description, the growth potential and developmental needs of the employee, and signature of both immediate supervisor and employee. **NOTE:** the employee's signature only attests to the evaluation having been discussed with him/her and does not necessarily indicate agreement with its content.

**Approved: Personnel Committee
Board of Directors**

**Effective: 10/16/2003
Revised: 03/01/2007**

STEPS, Inc.

Policy Title: ADMINISTRATION –
Employment Information/Payroll History

Policy No.: 4.08

STEPS, Inc. charges employees a fee of \$1.00 per page (\$5.00 minimum) to generate payroll history reports and for completing employment information forms.

This fee is waived for agencies that do not accept pay stubs as proof of employment/income.

**Approved: Personnel Committee
Board of Directors**

Effective: 08/01/2006

STEPS, Inc.

Policy Title: STATUS CHANGE –
Transfer, Promotion and Upgrade

Policy No.: 5.01

STEPS, Inc. encourages you to apply for staff positions for which you are qualified as they become vacant. If you apply for and secure a staff position of an equal range to your current position, you will be transferred to that position. If you apply for and secure a staff position in a higher range, you will be promoted to that position. When a promotion is made or a position is upgraded, the employee may receive a salary increase.

Up to the first 90 calendar days in your new position is considered an introductory period to enable you to learn the new job and to afford your immediate supervisor the opportunity to evaluate your performance. This introductory period may be extended an additional 90 calendar days if more time for training and/or observation is needed.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: STATUS CHANGE –
Demotion and Downgrade

Policy No.: 5.02

Demotions and downgrading of employees are based on the following:

1. **PERFORMANCE** demotion is an assignment to a position in a lower salary grade because the employee has displayed an “inability to adapt to the job requirements.”
2. **VOLUNTARY** demotion is initiated at the request of the employee.
3. **DISCIPLINARY** demotion is the assignment of an employee to a lower salary grade in lieu of termination.
4. **LAYOFF** results when there is a reduction in employees because of economic conditions, reorganization, lack of work, and/or job abolition. The employee may be offered a position at a lower salary. The selection of employees shall be in accordance with STEPS policy on layoffs.

In item 1, 2, and 3 a new performance date is established. All demotions and/or downgrades shall require the approval of the Chief Executive Officer.

**Approved: Personnel Committee
Board of Directors**

**Effective: 10/16/2003
Revised: 03/05/2007**

STEPS, Inc.

Policy Title: STATUS CHANGE – Layoff

Policy No.: 5.03

When it is necessary to reduce the number of facility employees because of lack of work, funds or re-organization, the Chief Executive Officer shall make a thorough analysis of this need. The Chief Executive Officer shall involve the Management Team in making such a study and in developing plans for reduction in the workforce. Employees separated from employment through layoff shall be placed on a list of those eligible for reemployment. This list shall be maintained for six (6) months from the date of such employee's layoff. Decisions made regarding layoff are not subject to the grievance procedure.

When STEPS, Inc. employees face layoffs, the following shall be in effect:

1. Employees that have health and dental insurance will receive a packet from COBRASERV National Service Center in St. Petersburg, Florida explaining what needs to be done in order to continue health and dental coverage. Employees that elect to continue health and dental coverage through COBRA must realize they will be responsible for paying 100% of their premiums directly to COBRASERV.
2. STEPS will continue paying the employee's life insurance for 6 months.
3. Employees that have Supplemental Insurance Policies will be billed directly for their policies at their home address and are responsible for paying 100% of the premiums.
4. Employees will not accrue annual and medical leave.
5. Employees will not be entitled to holiday pay.

**Approved: Personnel Committee
Board of Directors**

**Effective: 10/16/2003
Revised: 03/01/2007
Revised: 02/18/2009**

STEPS, Inc.

Policy Title: STATUS CHANGE –
Reduction in Hours and Salary

Policy No.: 5.04

Only the Chief Executive Officer may reduce the hours of employees with an adjustment in salary and fringe benefits. This may be done in lieu of termination when necessitated by economic conditions, reorganization, lack of work or other conditions. Any decision regarding the reduction in hours is not grievable.

Approved: Personnel Committee
Board of Directors

Effective: 10/16/2003
Revised: 03/05/2007

STEPS, Inc.

Policy Title: STATUS CHANGE –
Suspension

Policy No.: 5.05

Suspension results when a Level I Offense has been committed (See Policy No. 7.02 – Standards of Conduct). Employees on suspension will be eligible to continue their medical and dental coverage through COBRA. Annual and medical leave benefits do not accrue to those on suspension. STEPS will continue to pay for the employee's life insurance until a final determination is made regarding employment.

Approved: Personnel Committee
Board of Directors

Effective: 10/16/2006

Revised: 03/12/2008

STEPS, Inc.

Policy Title: BENEFITS – Annual Leave

Policy No.: 6.01

STEPS, Inc. considers an annual vacation important to an employee's health, morale and efficiency; therefore, full-time exempt professional and full-time non-exempt professional staff is entitled to annual leave. Consequently, pay in lieu of annual leave is not granted (except upon termination or in cases of emergency with the approval of the Chief Executive Officer), as this would defeat the purpose of annual leave. The employee upon termination will be paid for annual leave less any outstanding balance owed to the agency. All annual leave over 8 hours must be requested in writing to your immediate Supervisor at least one calendar week in advance of the anticipated time off. All employees shall schedule their use of annual leave so as to accommodate staff plans, workloads, and the calendar year carry over. A Supervisor, Manager, or Chief Executive Officer may deny or reschedule staff requests when an organizational conflict is indicated, but every effort will be made to honor your request on a fair and equitable basis.

Annual leave is accrued from date of hire but does not accrue to those on suspension or leave without pay. The amount of annual leave that is credited each month and the amount of annual leave that can be accrued depend upon the number of years of service with STEPS, as shown in the following table:

<u>Months of Service</u>	<u>Hours Earned per Month/Year</u>	<u>Maximum Carryover Hours as of December 31st</u>
0 – 36	8/96	20
37 – 72	10/120	24
73 – 108	12/144	28
109 – 168	14/168	32
169 – 228	16/192	36
229 +	18/216	40

Any annual leave hours in excess of your maximum allowed carryover will be converted to medical leave hour for hour.

If you or your immediate supervisor has any questions as to the number of annual leave hours available to you at any time, contact the Office Manager at the Victoria facility or the Human Resource Manager at the Farmville facility.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003
Revised: 03/02/2005
Revised: 03/05/2007

STEPS, Inc.

Policy Title: BENEFITS – Medical Leave

Policy No.: 6.02

Full-time exempt professional and full-time non-exempt professional staff are eligible to accrue six (6) hours of medical leave per month. Medical leave may be used to cover any absences related to physical or mental health.

With the occurrence of an extended illness a staff member may request the use of accrued annual leave in addition to his/her medical leave. You retain all of your benefits during medical leave. **For further information see Appendix entitled “Notice to Employees Under Family and Medical Leave Act of 1993.”**

Medical leave for other health related issues must have prior approval by your immediate supervisor.

Illnesses due to work related injuries are not covered by this policy.

Upon termination, you are not reimbursed for any unused medical leave.

**Approved: Personnel Committee
Board of Directors**

**Effective: 10/16/2003
Revised: 03/05/2007
Revised: 04/22/2009**

STEPS, Inc.

Policy Title: BENEFITS – Compensatory Leave

Policy No.: 6.03

Full-time exempt and full-time non-exempt staff are not eligible for compensatory leave. Full-time exempt staff are expected to work as many hours as needed to complete the job tasks. Full-time non-exempt staff will be paid one and one-half times their hourly rate for all hours worked over forty (40).

**Approved: Personnel Committee
Board of Directors**

**Effective: 10/16/2003
Revised: 04/22/2009**

STEPS, Inc.

Policy Title: BENEFITS – Transfer of Accrued Leave

Policy No.: 6.04

Staff may transfer leave time to a fellow staff member experiencing a personal/family crisis. Staff must document in writing to the Chief Executive Officer the request to transfer his/her leave to a fellow staff member. The type of hours and number of hours to be transferred must be documented in the letter. Medical and annual leave may be transferred. The Chief Executive Officer will respond to the request in writing. Upon approval, the administrative office will make the leave transfer.

**Approved: Personnel Committee
Board of Directors**

**Effective: 10/16/2003
Revised: 03/05/2007
Revised: 04/22/2009**

STEPS, Inc.

Policy Title: BENEFITS – Bereavement Leave

Policy No.: 6.05

In cases of death in the immediate family, up to three days leave with pay may be granted to full and part-time employees. Maximum is three days in a calendar year. Other leave types may be used for additional bereavement leave time beyond the three day maximum. Immediate family members include: spouse, children, stepfather, stepmother, stepchildren, siblings, mother, mother-in-law, father, father-in-law, grandchildren and grandparents.

A printed obituary must be presented to enable employees to receive bereavement leave.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

Revised: 07/01/2007

Revised: 04/14/2008

STEPS, Inc.

Policy Title: BENEFITS – Civil Leave

Policy No.: 6.06

An employee shall be granted leave with pay for serving on a jury providing the leave is scheduled with the immediate supervisor in advance. The employee has two options for receiving pay for that day:

1. Employee can use annual leave for the day and keep the payment from the court.
2. Employee can turn into STEPS any payment he or she receives for the time spent in court and STEPS, Inc. will pay the employee for the entire day.

If an employee is attending court as a witness under subpoena in his/her professional capacity as an employee of STEPS, this will not be considered leave time. Any compensation received for such duties will be turned over to STEPS, as is any compensation received for other services provided as a STEPS employee. The employee must furnish a written court order that requires such duty.

If the employee is involved in a personal case as plaintiff or defendant, he/she shall not be granted civil leave but must use annual leave or leave without pay.

**Approved: Personnel Committee
Board of Directors**

**Effective: 10/16/2003
Revised: 04/22/2009**

STEPS, Inc.

Policy Title: BENEFITS – Paid Holidays

Policy No.: 6.07

STEPS full-time exempt professional and full-time non-exempt professional staff are eligible for ten (10) holidays with pay.

The Chief Executive Officer will determine the holiday schedule. This schedule will be posted prior to the beginning of each fiscal year (July 1 – June 30).

If it is necessary for a non-exempt employee to work on a holiday, he/she is compensated at the rate of one and one-half times their hourly rate of pay for all hours worked over forty (40). Employees should not work on holidays, without the written approval of their immediate supervisor.

Exempt employees are not compensated for working on holidays but will be given another day off in its place.

**Approved: Personnel Committee
Board of Directors**

**Effective: 10/16/2003
Revised: 03/05/2007
Revised: 12/10/2010**

STEPS, Inc.

Policy Title: BENEFITS – Leave of Absence

Policy No.: 6.08

A leave of absence may be granted to any regular full or part-time staff, both with and without pay, as follows:

1. LEAVE WITHOUT PAY – this includes time off beyond earned annual and medical leave for up to forty-five (45) consecutive work days or 360 hours for any one occurrence and shall not exceed forty-five (45) days or 360 hours in a one year period dated from the first use of leave without pay in the time period. You may continue your fringe benefits during an unpaid leave of absence at your own expense. Annual and medical leave will not accrue during leave without pay. STEPS, Inc. will make every attempt to return you to your previous or a similar position upon your return from leave of absence; however, no guarantee of re-employment in your same position is made. All leave without pay requests must be in writing and be approved in advance by the Chief Executive Officer. If all accrued leave has been used and unapproved leave without pay is taken, the employee will be terminated. **This leave will not be granted in conjunction with Family and Medical Leave.**
2. LEAVE WITH PAY – this includes jury and witness duty. If you are reimbursed for these activities, you are expected to reimburse STEPS, Inc. the total of your jury compensation or take annual leave.
3. FAMILY AND MEDICAL LEAVE – family and medical leave will be provided pursuant to State and Federal law.
4. UNIFORMED SERVICES EMPLOYMENT AND REEMPLOYMENT LEAVE (Military Leave) – uniformed services employment and reemployment leave will be provided pursuant to State and Federal law.

If you do not report back to work on your first scheduled day following your leave, you will be terminated.

**Approved: Personnel Committee
Board of Directors**

**Effective: 10/21/2005
Revised: 03/05/2007
Revised: 04/22/2009**

STEPS, Inc.

Policy Title: BENEFITS –
Group Health and Dental Insurance

Policy No.: 6.09

STEPS, Inc. makes available group health and dental insurance for all full-time exempt and full-time non-exempt professional staff. You are eligible to participate in this insurance effective the first day of your employment with the organization.

STEPS, Inc. pays a portion of the health insurance for full-time exempt and full-time non-exempt professional staff. This amount changes on an annual basis. Contact STEPS' Human Resource Department for the current amount being paid toward the health insurance plan.

STEPS, Inc. pays 50% of the dental insurance plan for full-time exempt and full-time non-exempt professional staff.

Staff on unpaid leave of absence or those persons whose employment with STEPS has terminated may elect to carry and/or continue these benefits, at no cost to STEPS, Inc., up to the limits required by law under The Health Insurance Portability and Accountability Act of 1996 (HIPAA).

STEPS, Inc. reserves the right to change group insurance carriers, agents, benefits, or the amount of staff contributions at any time.

See STEPS Human Resource Manager for details of the plans currently in effect.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: BENEFITS – Group Life Insurance

Policy No.: 6.10

STEPS, Inc. provides a \$25,000.00 group life insurance policy for each full-time exempt and full-time non-exempt professional staff person. This policy takes effect the first day of your employment with the organization and is available at no cost to you.

This coverage terminates when you are no longer employed by STEPS, Inc.

Please review your policy for age adjustments to your life insurance premium.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: BENEFITS – Tax Sheltered Annuity

Policy No.: 6.11

STEPS, Inc. maintains a Tax Sheltered Annuity program to provide access to retirement benefits for all employees. You may elect to enter this program, with your personal contribution (payroll deduction) upon your date of hire.

The total amount of your contribution is governed by Federal law.

The insurance company carrying Tax Sheltered Annuities for STEPS, Inc. employees may develop regulations which supersede these policies. See the Human Resource Manager or contact your tax sheltered annuity agent for further details.

STEPS, Inc. reserves the right to change Tax Sheltered Annuity carriers or agents at any time.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: BENEFITS – Worker’s Compensation

Policy No.: 6.12

If you become injured in the course of your job specific duties, you are covered by Worker’s Compensation insurance, which is fully paid by STEPS, Inc. If you are injured on the job, your injury must be promptly reported to your immediate supervisor or the Human Resource Manager.

An injury report describing the accident/injury and the circumstances surrounding it must be completed within 24 hours. This policy applies to all injuries, including minor injuries.

If the worker’s compensation injury results in the employee’s inability to work for 3 consecutive days; FMLA papers will be completed and sent to the injured employee by certified mail.

For further information see Appendix entitled “Notice to Employees Under Family and Medical Leave Act of 1993.”

**Approved: Personnel Committee
Board of Directors**

**Effective: 10/16/2003
Revised: 03/12/2008**

STEPS, Inc.

Policy Title: BENEFITS – Unemployment Compensation **Policy No.:** 6.13

STEPS, Inc. contributes to the Virginia Unemployment Compensation Fund for all full-time regular, part-time regular, full-time temporary and part-time temporary employees with the exception of consultants/contract employees and employees earning special minimum wage.

All Virginia Unemployment Compensation benefits should be applied for through the Virginia Employment Commission.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

Revised: 07/15/2005

STEPS, Inc.

Policy Title: BENEFITS – Social Security (FICA)

Policy No.: 6.14

STEPS, Inc. is required, by law, to participate in the Federal Insurance Compensation Act (FICA), commonly referred to as Social Security. Under this Act, STEPS withholds a percentage of your pay and deposits it, along with an equal amount contributed by the Organization, into your Social Security account.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: BENEFITS – Professional Liability Insurance **Policy No.:** 6.15

STEPS, Inc. purchases professional liability insurance for all staff members. This insurance protects you and the Organization while you are working within the scope of your assigned duties.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: BENEFITS – Travel

Policy No.: 6.16

It is the policy of STEPS, Inc. to reimburse employees for the expenses of travel, including the cost of transportation, meals, lodging, registration fees, parking fees and tolls, provided such travel is performed in the course of conducting STEPS business. It does not include travel to and from the place of residence to the assigned work site. However, if you are asked to travel to another site on agency business, mileage is determined by subtracting the usual mileage to and from work, from the total traveled. You must have the prior approval of your immediate supervisor and must submit an expense voucher along with receipts to secure reimbursement.

The current maximum allowable rates of reimbursement for travel and meals are as follows:

1. Travel (using your car) – State reimbursement rate
2. Meals - \$35.00 per day:
 - Breakfast (\$10.00)
 - Lunch (\$10.00)
 - Dinner (\$15.00)

STEPS, Inc. does not compensate employees for parking or moving violations incurred while traveling, either in their own vehicle or a STEPS owned vehicle.

You are encouraged to use STEPS owned vehicles rather than your own personal vehicle whenever possible.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: BENEFITS – Food Facilities

Policy No.: 6.17

A lunch room is provided at each plant for breaks and meals. Vending machines provide snacks and beverages. A microwave oven and refrigerator are also available for employees use.

Food may not be consumed on the production floor. Water in an enclosed container is the only allowable beverage permitted in the manufacturing area.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: BENEFITS –
Social and Recreational Activities

Policy No.: 6.18

A number of social and recreational activities for STEPS employees are planned each year. Other events are held on an informal basis.

Staff is encouraged to participate in these activities and will be paid for their attendance at these events. If a staff member chooses not to participate annual leave must be taken.

**Approved: Personnel Committee
Board of Directors**

**Effective: 10/16/2003
Revised: 04/22/2009**

STEPS, Inc.

Policy Title: BENEFITS – Parking

Policy No.: 6.19

STEPS, Inc. provides limited parking space on STEPS' property for staff, production workers, participants and visitors. Designated parking spaces are available only for STEPS owned vehicles. Use of all other parking spaces is on a first come first served basis.

There is also handicapped designated parking for STEPS' employees and visitors. Only people with the appropriate decals will be permitted to park in these designated areas.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

Revised: 10/01/2006

STEPS, Inc.

Policy Title: BENEFITS – Staff Development

Policy No.: 6.20

STEPS, Inc. feels strongly that you should have the opportunity to benefit from work related training and education which will enhance your role within the organization. Staff development includes:

1. **ORGANIZATIONAL TRAINING** – technical school and college classes, conferences, seminars, workshops, etc.
2. **IN SERVICE TRAINING** – presentations at STEPS, on the job training, etc.

An employee should observe the following procedure for obtaining approval of a workshop or educational request:

1. Complete a workshop request form (located in the office) and present to your immediate supervisor;
2. The approved request shall be forwarded to the Chief Executive Officer; and
3. Upon completion of the course/program, the employee shall submit proof of satisfactory completion, such as a copy of the grade report (B or better) or certificate, etc., and receipts for any related expenses in order to be reimbursed for the training. If you wish to be reimbursed for your training, it must be approved in advance.

Employees may elect to attend educational classes/workshops at their own expense and on their own time subject to STEPS, Inc. leave policy. Approval must still be secured.

An employee leaving STEPS, Inc. may be required to repay the organization for any tuition or costs reimbursement for educational classes/workshops requested by them which was received within the previous twelve (12) month period. This does not apply to agency initiated or requested educational classes/workshops.

**Approved: Personnel Committee
Board of Directors**

**Effective: 10/16/2003
Revised: 03/05/2007**

STEPS, Inc.

Policy Title: BENEFITS –
Annual Employee Development Plan

Policy No.: 6.21

As a part of your Job Performance Evaluation, you and your immediate supervisor will develop your Employee Development Plan, which identifies the training and education which you and your supervisor feel will be beneficial to you in your employment with STEPS, Inc.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: BENEFITS – Hepatitis B Vaccine

Policy No.: 6.22

If, in the course of your employment with STEPS, Inc., you are likely to come in contact with human blood or other potentially infectious substances, you will be offered the opportunity to receive the Hepatitis B vaccine at STEPS, Inc. expense.

The following positions are eligible to receive the Hepatitis B vaccine:

- Employment Services Manager
- Cutting Department Supervisor
- Employment Specialists
- Finishing Department Supervisors
- Services Support Assistants
- Recycling Workers
- Stitching Floor Supervisors
- Trainers and In-Process Inspectors
- Van Drivers

Discuss this matter with your immediate supervisor or the Human Resource Manager to determine your need for this vaccine.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: BENEFITS – Section 125 Plan

Policy No.: 6.23

Employees who choose to take advantage of STEPS, Inc. retirement, supplemental insurance, group health and/or dental insurance will have their gross wages/salary reduced by the amount of their personal contribution to these plans. This reduces the amount of your taxable income and therefore the amount of FICA, Federal and State taxes withheld from your check.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: WORK AND PERFORMANCE RULES –
Problem Solving

Policy No.: 7.01

STEPS, Inc. trusts that each employee is committed to the goals of the organization and wishes to succeed at his/her job. Therefore, STEPS, Inc. encourages you to work together to solve organizational problems and to achieve organizational goals, as identified in the STEPS, Inc. Strategic Plan, within your sphere of responsibility and in cooperation with other employees and departments. "Pitching in" to help out periodically is encouraged, but consistently assuming another employee's job is not. Employees are urged to discuss ways to improve systems and performance, both within and between departments, in an effort to solve problems.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: WORK AND PERFORMANCE RULES –
Standards of Conduct

Policy No.: 7.02

The standards of conduct are designed to protect the well being of all employees; to ensure a safe; efficient operation, and to assure compliance with applicable laws. Employees are expected to meet established performance standards and report conditions or circumstances that may prevent them from performing their job effectively. These standards provide supervisors with a fair and objective process for correcting unacceptable conduct.

OFFENSES WARRANTING ACTIONS:

Level I Offenses – Committing a Level I offense will result in immediate termination. Level I offenses include:

1. Theft, participating in a theft, or attempted theft of STEPS' property or the property of any employee or visitor of STEPS, Inc. Also, failing or refusing to cooperate with STEPS in an investigation of a theft or a suspected theft of another employee's or STEPS' property or other conduct harmful to STEPS, Inc.
2. Dishonesty, lying, embezzlement, falsifying STEPS records (including employment application materials), no matter when discovered, falsely reporting any act or transaction or attempting to defraud STEPS by any means, including making a false or fraudulent statement regarding medical leave, overtime, workers' compensation or insurance claims, falsifying financial records, falsifying or padding time records or time cards of another employee, or falsifying or padding expense reports.
3. Willfully damaging, destroying or harming STEPS' property or the property of another employee or visitor.
4. Fighting or assaulting or attempting to assault any member of management, employee or visitor of STEPS, Inc. or deliberately provoking or inciting another person to engage in an assault or fight.
5. Carrying or using firearms or other dangerous weapons or materials on STEPS premises (including STEPS parking lots) or in connection with STEPS business.
6. Involvement in any illegal activities on STEPS premises (including STEPS parking lots) or in connection with STEPS business.
7. Disclosing or misusing confidential information, trade secrets or proprietary business information about any STEPS matter to unauthorized persons or competitors.
8. Disloyalty, including disparaging, maligning or defaming the reputation of STEPS, Inc. or its employees.

9. Receiving a criminal conviction for acts of conduct occurring on or off the job which are of such a nature that to retain the employee in the assigned position could constitute negligence.
10. Insubordination, including refusing or failing to obey a reasonable work request or instruction of a Supervisor, or member of management, or encouraging another employee to refuse or fail to obey such a request or instruction.
11. Violation of STEPS' Equal Employment Opportunity or Sexual Harassment Policy.
12. Reporting to work under the influence of or otherwise impaired by the use of alcohol and/or illegal drugs.
13. Immoral or obscene conduct.
14. Using abusive or profane language when speaking to customers and visitors.
15. Physical abuse to any member of management, customers, visitors or fellow employees.
16. Instigating, encouraging or participating in any illegal work stoppages, slowdowns, strikes, or other interferences with, or restrictions of, STEPS' operations.
17. Unauthorized access to personnel files and client records.
18. Unauthorized use, lending, borrowing or duplicating of STEPS keys.
19. Retaliating against a co-worker for reporting suspected violations of federal, state and/or local laws or reporting a suspected case of non-compliance with STEPS, Inc. personnel policies.

Retaliating in this case is taken to include but not limited to the following:

- a. Blatant retaliation by a supervisor which may include, but not limited to, the loss of a job, being constantly given an unpopular job assignment, being constantly given extra work or being branded as a "troublemaker," or creating barriers to services.
- b. Blatant retaliation by co-workers including being bullied, being picked on or being called names.
- c. Subtle retaliation including shunning by co-workers or failure to be considered for a new assignment.

Whistleblowers and others who make protected disclosures in good faith shall not be retaliated against in any manner, with the intent of adversely affecting the terms or conditions of employment or enrollment (including but not limited to, threats or physical harm, loss of job, adverse or punitive work assignments or impact on salary or wages) and shall be protected from such retaliation by STEPS. This protection from retaliation is not intended to prohibit supervisors or administrators from taking action, including disciplinary action, in the usual scope of their duties and based upon valid performance related factors.

Whistleblowers and others who believe they are the subject of prohibited

retaliation should promptly report such actions to the Human Resource Manager.

20. Failure to contact your immediate supervisor if you are absent for three consecutive days.

Level II Offenses – Violation of Level II offenses will result in issuance of progressive discipline. Level II offenses include, but are not limited to the following:

1. Failing to maintain satisfactory work performance or performing in a careless or incompetent manner.
2. Overstaying meal or break periods.
3. Uncooperative attitude.
4. Failure to work assigned or voluntarily accepted overtime work.
5. Conviction of a moving traffic violation while using a STEPS vehicle.
6. Inability or unwillingness to work amicably and cooperatively with other employees.
7. Loafing, loitering, sleeping or engaging in unauthorized personal business such as excessive personal telephone calls and frequent absences from work areas.
8. Unauthorized access to file cabinets and desks.
9. Leaving work during work hours without prior authorization from your supervisor.
10. Posting, altering or removing materials on bulletin boards unless specifically authorized to do so.
11. Conduct detrimental to STEPS that results in negative public relations or customer service.
12. Negligence in observing fire prevention or other safety regulations, or failure to report on the job injuries or unsafe conditions.

Level III Offenses – Violation of Level III offenses will result in issuance of progressive discipline. Level III offenses include, but are not limited to the following:

1. Unintentional failure to observe written or oral instructions.
2. Excessive soliciting on STEPS time without the permission of the Chief Executive Officer.
3. Eating, drinking or smoking in unauthorized areas.
4. Failure to wear or use required safety equipment while on duty.
5. Excessive absenteeism, tardiness or failure to call in when not able to come to work.

Progressive Discipline

Discipline for Level I, II, and III offenses will be administrated according to progressive discipline set forth by STEPS, Inc. STEPS, Inc. reserves the right to determine the level of the offense and to skip steps based on the facts of each specific case.

OFFENSE	1 st Offense	2 nd Offense	3 rd Offense	FINAL
Level I	Suspension/ Investigation Discharge			
Level II	Written Reprimand	Final Written/ Suspension	Discharge	
Level III	Oral Reprimand	Written/ Suspension	Final Written	Discharge

DUE PROCESS:

Prior to the issuance of any written notices, demotions, transfers with disciplinary salary actions, suspensions or terminations, the Human Resource Manager or designees will review the documentation for the recommended actions to determine if the action is appropriate for the offense.

1. Advance Notice of Discipline to Employees

Prior to the issuance of written notices, disciplinary suspensions, demotions, transfers with disciplinary salary actions and terminations employees must be given oral or written notification of the offense, an explanation of STEPS evidence in support of the charge and a reasonable opportunity to respond.

Note: All internal investigations must be initiated as soon as a complaint is received.

2. Employee Response and “Reasonable Opportunity to Respond”

Employees must be given a reasonable opportunity to respond after receiving notification of pre-disciplinary actions. Normally, a 24 hour period is a sufficient period of time, however, a “reasonable opportunity to respond” should not be based solely on the quantity of time provided but also on the nature of the offense, which may or may not require more or less time to refute or mitigate the charge.

USE OF GRIEVANCE PROCEDURE:

Non-probationary employees may challenge corrective or disciplinary actions through STEPS Grievance Procedure.

RECORDS MANAGEMENT:

STEPS must update employee's personnel files immediately upon issuance of a written notice, upon placing employees on disciplinary suspension and upon subsequent demotions or transfers with disciplinary salary actions and terminations.

**Approved: Personnel Committee
Board of Directors**

**Effective: 10/16/2003
Revised: 05/29/2006
Revised: 01/25/2008
Revised: 02/28/2009**

STEPS, Inc.

Policy Title: WORK AND PERFORMANCE RULES –
Drug Free Workplace

Policy No.: 7.03

It is the policy of STEPS, Inc. that the unlawful manufacture, distribution, dispensation, possession, use of or working under the influence of a controlled substance is prohibited in our organization. Because of the nature of STEPS, Inc. business, any violation of this policy by employees is grounds for immediate dismissal.

STEPS, Inc. establishes a drug free awareness emphasis as part of our in-service training program. This emphasis focuses on the dangers of drug abuse in the workplace and the availability of drug counseling and rehabilitation.

If you are convicted of a drug abuse violation, STEPS, Inc. is required by law to notify any Federal agency with which we have a contract or grant.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: WORK AND PERFORMANCE RULES –
Safety Rules

Policy No.: 7.04

It is the policy of STEPS, Inc. that the safety of all employees and guests and the security of all of our property and that of our customers is the responsibility of all our employees. As a condition of employment, employees are expected to follow all safety rules and practices. If you are in doubt about safety matters concerning STEPS, Inc., consult the Safety Manual, any member of the safety committee and/or your immediate supervisor. The Safety Manual can be found in the office of each plant and members of the Safety Committee are posted on the bulletin boards of each plant.

All injuries sustained during hours of work and which arise out of and in the course of employment, however slight, must be promptly reported to your immediate supervisor so that the proper accident report form can be executed.

Our organizational operations and procedures incorporate a high degree of safety and reliability, but your attention to your own safe behavior will be the deciding factor in your freedom from accident. Become aware of and follow the general safety rules and practices and those in your department. The safety committee encourages all employees to make suggestions on improvements and practices.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: WORK AND PERFORMANCE RULES –
Confidentiality

Policy No.: 7.05

As an employee of STEPS, Inc., you are expected to ensure confidentiality and privacy in regard to history, records and discussions about participants/employees we serve/hire. The very fact that an individual is served/hired by STEPS, Inc. must be kept private and confidential; disclosure can be made only under specified conditions which are described below. This means that you may not disclose any information about a person, including the fact that the person is or is not served/hired by STEPS, Inc. to anyone outside this organization unless you have the proper authorization to do so. This principle of confidentiality must be maintained by all programs, departments, functions and activities. The only exceptions include:

1. The written or signed request of the employee;
2. Court order via subpoena;
3. Situation wherein life and death or medical emergencies prompt one's best judgment to take immediate action.

We make our participants/employees aware of this obligation during their orientation and in the employee handbook that each participant/employee receives.

Should STEPS' staff be contacted by the criminal justice system (courts, parole officers, police, etc.) about a participant's/employee's progress or about their criminal history, we are obligated to cooperate by providing information to the criminal justice system, if subpoenaed.

The Employment Services Department will rely on criminal information that is supplied by the referring entity and will store this information in the participant's case file. These case files are maintained in a confidential manner.

There is no local, state or federal laws requiring the Employment Services or Human Resource Departments to conduct a background check to verify a participant's/employee's background to investigate the circumstances surrounding criminal history. Additionally, there are no laws that would require Employment Services or Human Resource to reveal a participant's/employee's criminal history to other referral sources, grant making entities or funders.

Employment Services or Human Resources will not release a consumer's case file or employee's personnel file without a court ordered, signed subpoena.

Should you be contacted via telephone by a member of the criminal justice system about a participant/employee please do the following:

1. Get the name and if they have one, Badge Number and Precinct Number from the caller. Write down the information that they are requesting.
2. Take their phone number and indicate to them that you will forward the information to your supervisor or the Employment Services or Human Resource Department. The head of these departments will gather the information and return their call promptly.

These first two steps should help to make sure that you are in fact talking with someone from the Criminal Justice System and not an imposter.

3. Employment Services, Human Resource or designee should gather the information that they have the facts for. Do not make guesses or conjectures. If asked how a participant/employee is progressing; you can make statements using your professional judgment.
4. If you have questions about the information that the person is requesting, please contact your immediate supervisor or the Employment Services or Human Resource Department.
5. The Chief Executive Officer should be notified as soon as possible about any subpoenas.

Should a member of the Criminal Justice System show up at the door of one of our facilities and want to see a copy of the consumer's case file or personnel file, please let the individual know that we would be happy to comply with a court ordered and signed subpoena. If the person presents you with a subpoena, ask them to wait in the lobby area while we access the information. Immediately call the Employment Services or Human Resource Department who can assist you in determining whether or not the subpoena is valid. Once determined that the subpoena is valid, STEPS will provide the information requested.

Should a member of the Criminal Justice System show up at the door of one of our facilities inquiring about the whereabouts of a particular participant/employee, please ask to see their badge or credentials. Ask them for a business card so that you can remember who the person was asking for information. If you feel that the credentials are valid, provide the information that you have regarding the person's whereabouts. If you have any questions or feel that the credentials are not valid, please call Employment Services or Human Resources immediately.

**Approved: Personnel Committee
Board of Directors**

**Effective: 10/16/2003
Revised: 05/22/2006**

STEPS, Inc.

Policy Title: WORK AND PERFORMANCE RULES –
Abuse of Participants

Policy No.: 7.06

A professional and healthy relationship between STEPS, Inc. employees and participants is to be maintained at all times. It is STEPS, Inc. job to help participants with disabilities improve their ability to function within the community. Therefore, no sexual advances, requests for sexual favors, verbal, physical or psychological abuse of participants will be tolerated, whether during work hours or elsewhere. Any interaction between employees and participants that violates this policy will subject you to immediate disciplinary action.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: WORK AND PERFORMANCE RULES –
Sexual Harassment

Policy No.: 7.07

Sexual harassment in any form is unacceptable conduct and is not condoned by STEPS, Inc. Acts of sexual harassment at the workplace by employees against other employees, participants, or the public is not tolerated and is strictly prohibited. Accordingly, STEPS, Inc. established the following standards:

1. It is unlawful and against STEPS, Inc. policy for any employee, male or female, to harass another by: making unwelcome sexual advances or making favors or other verbal or physical conduct of a sexual nature a condition of any employee's work; using an employee's submission to or rejection of such conduct as a basis for or as a factor in any employment decision affecting the individual; or otherwise creating an intimidating, hostile or offensive working environment by such conduct.
2. The creation of an intimidating, hostile or offensive working environment may include such actions as persistent comments on an employee's sexual preferences or the display of obscene or sexually oriented photographs or drawings. Conduct or actions that arise out of a personal or social relationship and that are not intended to have a discriminatory employment effect may not be viewed as harassment. STEPS, Inc. will determine whether such conduct constitutes sexual harassment, based on a review of the facts and circumstances of each situation.
3. STEPS, Inc. will not condone any form of sexual harassment toward others, including participants and the general public. All employees are subject to disciplinary action, up to and including discharge from employment for any act of sexual harassment against others.
4. If you believe that you are being sexually harassed, you should report the harassment to your immediate supervisor at once. If your immediate supervisor is the source of the alleged harassment, you should report the alleged harassment to the Human Resource Manager. All sexual harassment complaints should be in writing and will be investigated as soon as a complaint is received.
5. Supervisors who receive a sexual harassment complaint should carefully investigate the matter, keeping in mind that privacy considerations are applied in handling this type of complaint. The investigating supervisor will question all employees who may have knowledge of either the incident in question or similar problems. The

complaint, investigative steps and findings should be documented as thoroughly as possible.

6. If you are dissatisfied with the investigation's resolution of a sexual harassment complaint, you may file a complaint through the grievance procedure (see Policy 8.01). You will not be subject to any form of retaliation or discipline for pursuing a sexual harassment complaint.

**Approved: Personnel Committee
Board of Directors**

**Effective: 10/16/2003
Revised: 02/28/2009**

STEPS, Inc.

Policy Title: WORK AND PERFORMANCE RULES –
Dress Code

Policy No.: 7.08

Professional attire is expected at all levels of the organization. Your dress must be appropriate to and safe for your job. Shorts are permitted, but must be knee length. Tank tops and midriff tops are not allowed. Clothing with derogatory or distasteful comments is not acceptable. Closed toe shoes must be worn in the manufacturing areas. Neatness and cleanliness is always expected.

Your immediate supervisor is available to discuss the appropriateness and safety of your attire with you.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: WORK AND PERFORMANCE RULES –
Solicitations

Policy No.: 7.09

There will be **NO** solicitation on STEPS property without approval from the Chief Executive Officer.

**Approved: Personnel Committee
Board of Directors**

**Effective: 10/16/2003
Revised: 03/01/2007**

STEPS, Inc.

Policy Title: WORK AND PERFORMANCE RULES –
Telephone Use

Policy No.: 7.10

STEPS phones are installed to perform STEPS' business. If you should need to use the STEPS telephone to make an emergency long distance phone call, you are to charge that call to your calling card.

If you should make work related long distance phone calls while away from the office, you will be reimbursed for these calls by presenting a copy of your telephone bill.

Any abuse of this policy is grounds for disciplinary action.

**Approved: Personnel Committee
Board of Directors**

**Effective: 10/16/2003
Revised: 07/01/2007**

STEPS, Inc.

Policy Title: WORK AND PERFORMANCE RULES –
Conflict of Interest

Policy No.: 7.11

STEPS, Inc. expects your primary interest to be the people we serve. A conflict of interest occurs when your interests or those of another outside party actually or potentially affect STEPS in a negative way. Examples of conflict of interest situations are described below:

1. **OUTSIDE BUSINESS INTERESTS** – You may have outside business interests and outside employment as long as these do not interfere with your STEPS job performance. You may not earn profit from outside employment or business interests that directly result from your affiliation with STEPS, Inc.
2. **GIFTS, GRATUITIES** – You are not to solicit or accept, either directly or indirectly, any gifts, gratuities, free trips, personal property or other items of value from an outside person or organization which could reasonably be considered as a reward for action or inaction on your part.
3. **PERSONAL BELIEFS** – STEPS, Inc. recognizes that our employees may hold a wide range of personal beliefs, values and commitments. These beliefs, values and commitments are a conflict of interest only when they prevent you from fulfilling your job responsibilities, if you attempt to use STEPS, Inc. time and facilities for furthering them or if you continue attempting to convince others of your personal beliefs after you have been asked to stop.

Contact your immediate supervisor, Human Resource Manager or the Chief Executive Officer whenever you have questions about a potential or actual conflict of interest.

Occasionally, STEPS employees are called upon to make presentations to community groups about STEPS, Inc. and the services that it provides. If you are compensated for such an engagement, you are expected to reimburse STEPS, Inc. for the amount of your compensation. On the other hand, if your presentation involves a topic unrelated to STEPS or deals with a more generic related topic and occurs outside of business hours, any compensation received is yours to keep. If you have any questions, contact your immediate supervisor or the Chief Executive Officer.

**Approved: Personnel Committee
Board of Directors**

**Effective: 10/16/2003
Revised: 03/01/2007**

STEPS, Inc.

Policy Title: WORK AND PERFORMANCE RULES –
Speaking to the Media

Policy No.: 7.12

You may not speak to the news media as an official or unofficial spokesperson of STEPS, Inc. without prior clearance from the Chief Executive Officer. All inquiries from the media should be referred to the Chief Executive Officer or in his/her absence, a member of STEPS, Inc. Management Team.

**Approved: Personnel Committee
Board of Directors**

**Effective: 10/16/2003
Revised: 03/01/2007**

STEPS, Inc.

Policy Title: WORK AND PERFORMANCE RULES –
Smoking

Policy No.: 7.13

STEPS, Inc. offers a smoke free environment to all staff, participants, production workers and guests. Smoking is not allowed in STEPS building or vehicles.

Smoking is allowed outside of the building in specially designated areas. If you do smoke, you are responsible for keeping the area clean and free of smoking debris.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: WORK AND PERFORMANCE RULES –
Nepotism

Policy No.: 7.14

It is STEPS, Inc. policy to avoid bringing family relationships into the workplace whenever possible. However, on occasion more than one family member may work for STEPS, Inc. at the same time. The following guidelines govern these situations:

1. No undue favoritism in awarding public appointments or governmental patronage to one's relations.
2. No staff member is permitted to hire a relative.
3. When related persons work at STEPS, Inc., one relative may not supervise another relative.
4. Related persons may not be involved in evaluating each other's job performance or in making recommendations for wage/salary adjustments, promotions or other budget decisions.

For purposes of this policy relatives are defined as husband, wife, son, daughter, father, mother, sister, brother, step son, step daughter, step father, step mother, step brother, step sister, grandson, granddaughter, grandfather, grandmother, mother-in-law, father-in-law, brother-in-law, sister-in-law, uncle and aunt.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: WORK AND PERFORMANCE RULES –
Lost and Found

Policy No.: 7.15

The STEPS, Inc. lost and found center is located in the office at each plant.
Contact the Office Manager whenever you have found or lost articles.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: WORK AND PERFORMANCE RULES –
Personal Property

Policy No.: 7.16

STEPS, Inc. is not responsible for the loss or destruction of your personal property if brought to work, used in the course of your work or left in your car. If you require tools to perform your job, you are urged to request them from your immediate supervisor. You are encouraged to keep your car locked at all times.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: WORK AND PERFORMANCE RULES –
Credentials/Licenses Verification

Policy No.: 7.17

If the position for which you are hired requires that you possess post high school credits or degrees in a given area, you are required to present proof of same for inclusion in your personnel file. Likewise, if your position requires any form of licensing, including a driver's license, you are required to provide documentation of information contained in this license for your personnel file and to keep this information current.

If you do not make these credentials available within 3 days of hire, you will be subject to disciplinary action or termination.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: WORK AND PERFORMANCE RULES –
Workplace Violence

Policy No.: 7.18

STEPS is committed to preventing violence in the workplace and maintaining a safe work environment. Given the increasing violence in society, STEPS has adopted guidelines to deal with intimidation, harassment, or other threats of violence to self or others that may occur on its premises.

STEPS will not tolerate any conduct that threatens, intimidates, or coerces an employee, customer, or member of the public at any time. Additionally, firearms, weapons, and other dangerous or hazardous devices or substances are strictly prohibited from the premises of STEPS.

**Approved: Personnel Committee
Board of Directors**

Effective: 05/10/2009

STEPS, Inc.

Policy Title: COMPLAINT AND GRIEVANCE
PROCEDURE – Grievance Procedure

Policy No.: 8.01

INFORMAL

The management of STEPS encourages employees to discuss all complaints with your immediate supervisor in order to arrive at a solution on an informal basis. A specific complaint shall be reported to your immediate supervisor. Most complaints should be resolved at this level on an informal basis. Should the informal procedure prove unsatisfactory, the formal procedure should be utilized.

FORMAL

1. The employee shall complete a Written Complaint Form which may be obtained from the office during regular work hours. This form is to be signed and presented to your immediate supervisor within five (5) working days after your immediate supervisor has made his/her informal decision.
2. Your immediate supervisor shall document receipt of the form and present the employee with a copy of the documented Complaint Form.
3. Your immediate supervisor shall send the Complaint Form to the next level of supervision for review and decision. The decision will be discussed with the employee within five (5) working days after the supervisor's documented receipt of the form.
4. If the employee is not satisfied with the decision rendered in Step 3, the employee may request, in writing within five (5) working days that the Complaint Form be presented to the Chief Executive Officer for review and decision.
5. The Chief Executive Officer will respond to the employee in writing within five (5) working days following receipt of the written request and Complaint Form. The decision of the Chief Executive Officer has precedence over any prior decisions.
6. Should the employee still not be satisfied, he/she may request in writing to meet with the Executive Committee of the Board of Directors. This written request must be filed with the Chief Executive Officer within five (5) working days following the receipt of the Chief Executive Officer's written decision.

7. The Executive Committee of the Board of Directors shall call a special meeting to discuss this complaint. It is left to the discretion of the Board Chairman or Vice Chairman to designate the meeting date and time. The Committee shall review the case/complaint, perform any needed investigation and present the employee with a written decision within five (5) working days following their meeting. The decision of the Executive Committee is binding on both you and STEPS, Inc.

All steps must be documented in writing, with copies signed and dated by all parties. Each step must be accomplished with five (5) working days. If you fail to follow through within five (5) days, the grievance is considered resolved.

Employees filing formal grievances for suspected violations of federal, state and/or local laws or reporting a suspected case of non-compliance with STEPS, Inc. personnel policies shall not be retaliated against.

Retaliation in this case is taken to include but not limited to the following:

- Blatant retaliation by a supervisor which may include, but not limited to, the loss of a job, being constantly given an unpopular job assignment, being constantly given extra work or being branded as a "troublemaker," or creating barriers to services.
- Blatant retaliation by co-workers including being bullied, being picked on or being called names.
- Subtle retaliation including shunning by co-workers or failure to be considered for a new assignment.

Whistleblowers and others who make protected disclosures in good faith shall not be retaliated against in any manner, with the intent of adversely affecting the terms or conditions of employment or enrollment (including but not limited to, threats or physical harm, loss of job, adverse or punitive work assignments or impact on salary or wages) and shall be protected from such retaliation by STEPS. This protection from retaliation is not intended to prohibit supervisors or administrators from taking action, including disciplinary action, in the usual scope of their duties and based upon valid performance related factors. Whistleblowers and others who believe they are the subject of prohibited retaliation should promptly report such actions to the Human Resource Manager.

Assistance is available to any employee who needs help with filing a formal grievance. Contact the Human Resource Department for further details.

**Approved: Personnel Committee
Board of Directors**

**Effective: 10/16/2003
Revised: 03/20/2006
Revised: 03/01/2007
Revised: 02/28/2009**

STEPS, Inc.

Policy Title: TERMINATION OF EMPLOYMENT –
Notice of Resignation

Policy No.: 9.01

If you choose to resign your employment with STEPS, Inc., you are expected to give a minimum of ten (10) working days notice in writing. Copies of your written resignation notice should be given to your immediate supervisor and the Human Resource Manager.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: TERMINATION OF EMPLOYMENT –
Fringe Benefits

Policy No.: 9.02

The following benefits are granted to you upon termination:

1. Earned wages/salary, less payroll deductions
2. Earned annual leave not taken
3. Personal maintenance of health, dental and life insurance (100% paid by employee), to the limits prescribed by law
4. Travel expenses incurred, but not paid
5. Tax Sheltered Annuity

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: TERMINATION OF EMPLOYMENT –
Exit Interview

Policy No.: 9.03

Your immediate supervisor will conduct an exit interview with you prior to your final day of employment. This interview is used to upgrade the quality of STEPS, Inc. programs and personnel policies and to facilitate your transition from STEPS, Inc.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: TERMINATION OF EMPLOYMENT –
Release of Job References

Policy No.: 9.04

All requests for information about current, retired or terminated employees should be forwarded to the Human Resource Manager or Chief Executive Officer, who may disclose to prospective employer's only the following information:

- Dates of employment
- Final title or position
- Job location
- Eligibility for rehire
- Final salary

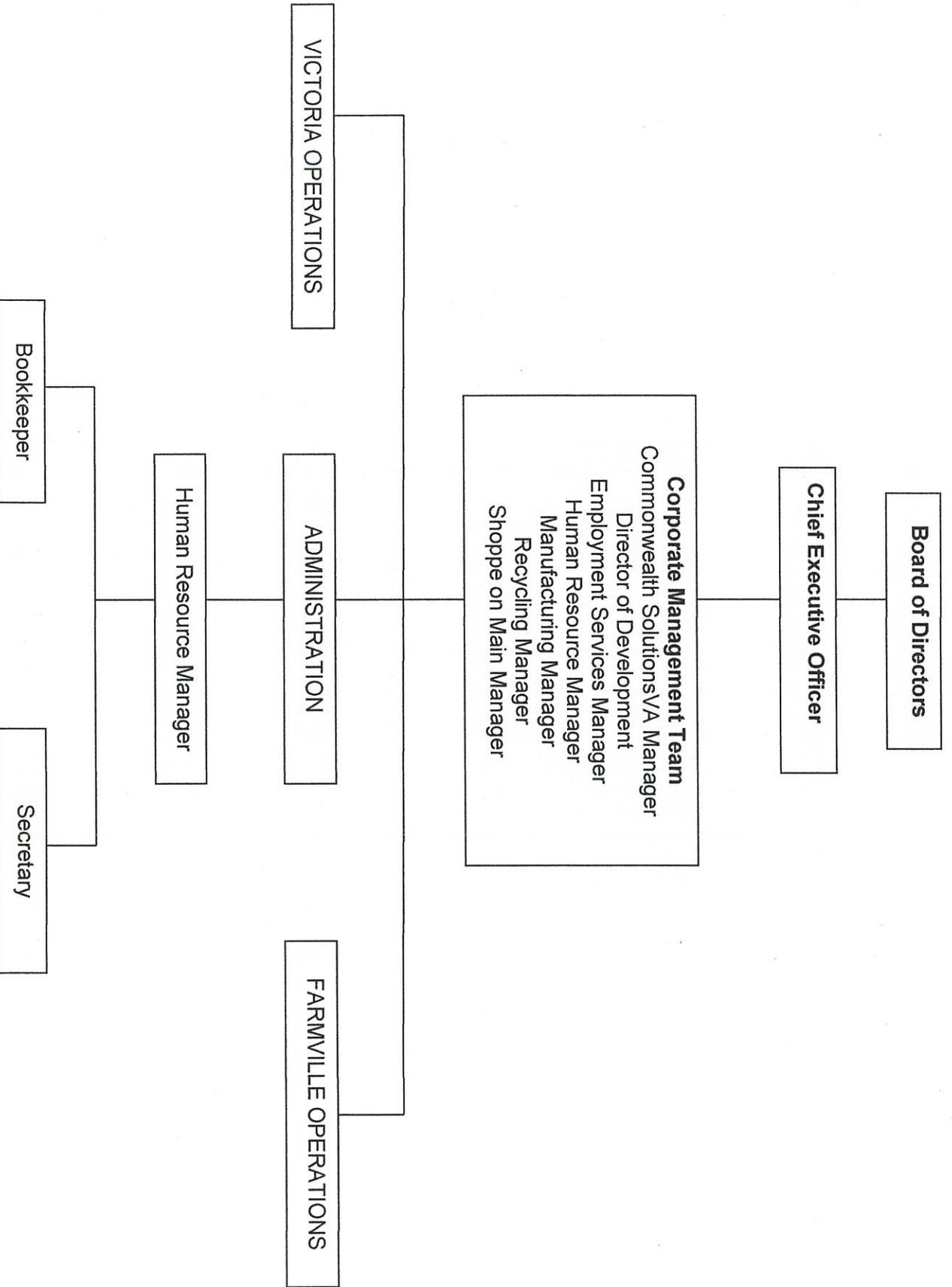
With your written permission, the Human Resource Manager or your immediate supervisor may give an employment and salary history and respond to reference inquiries.

Information requested by a law enforcement agency will be provided if it is believed that an applicant, employee, or former employee has been engaged in illegal activities, if actions of the individual threaten physical injury to our property, other employees or participants served or to protect the legal interests of STEPS, Inc. In such cases, any release of information will be made only if approved by the Chief Executive Officer.

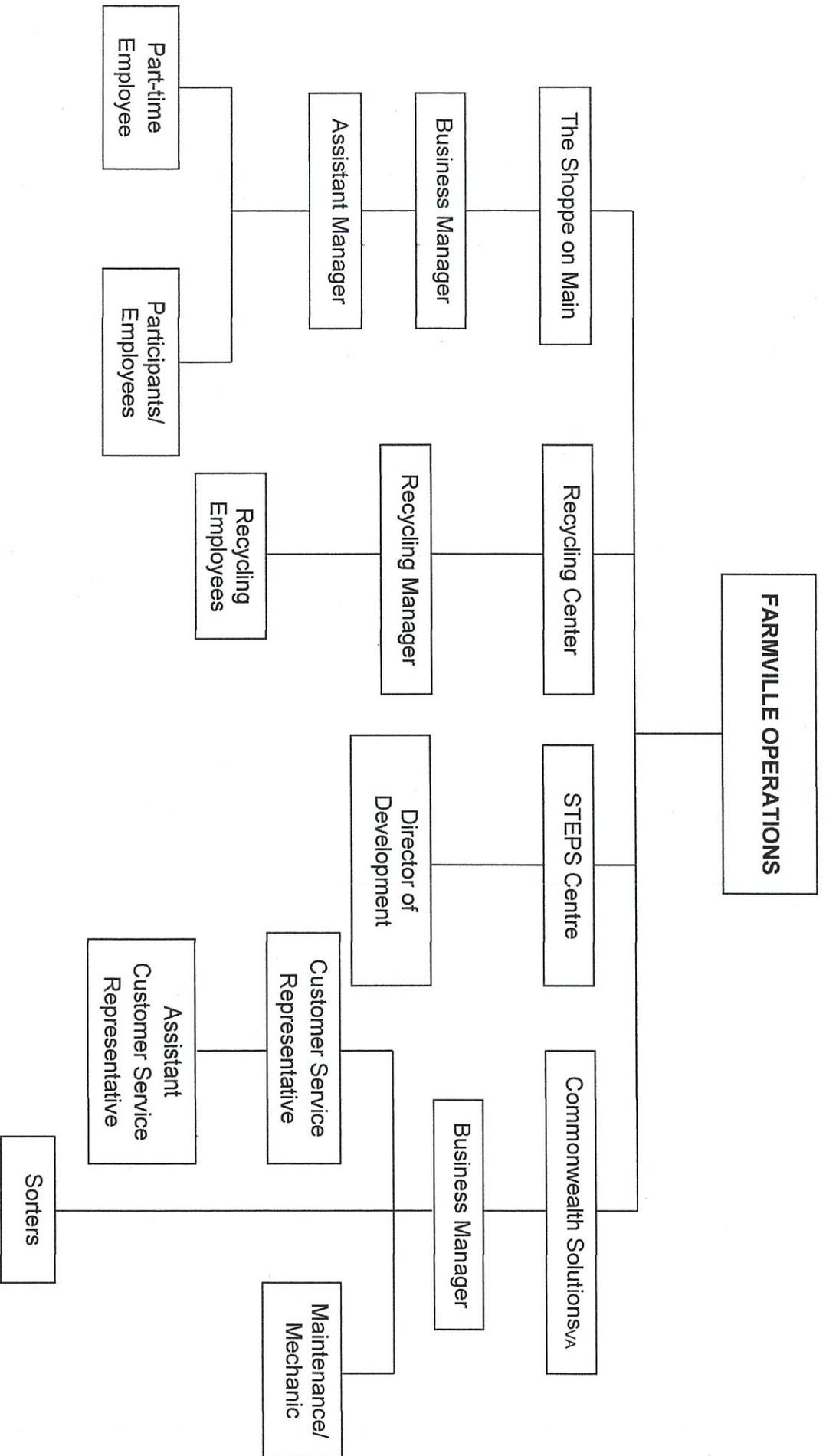
**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

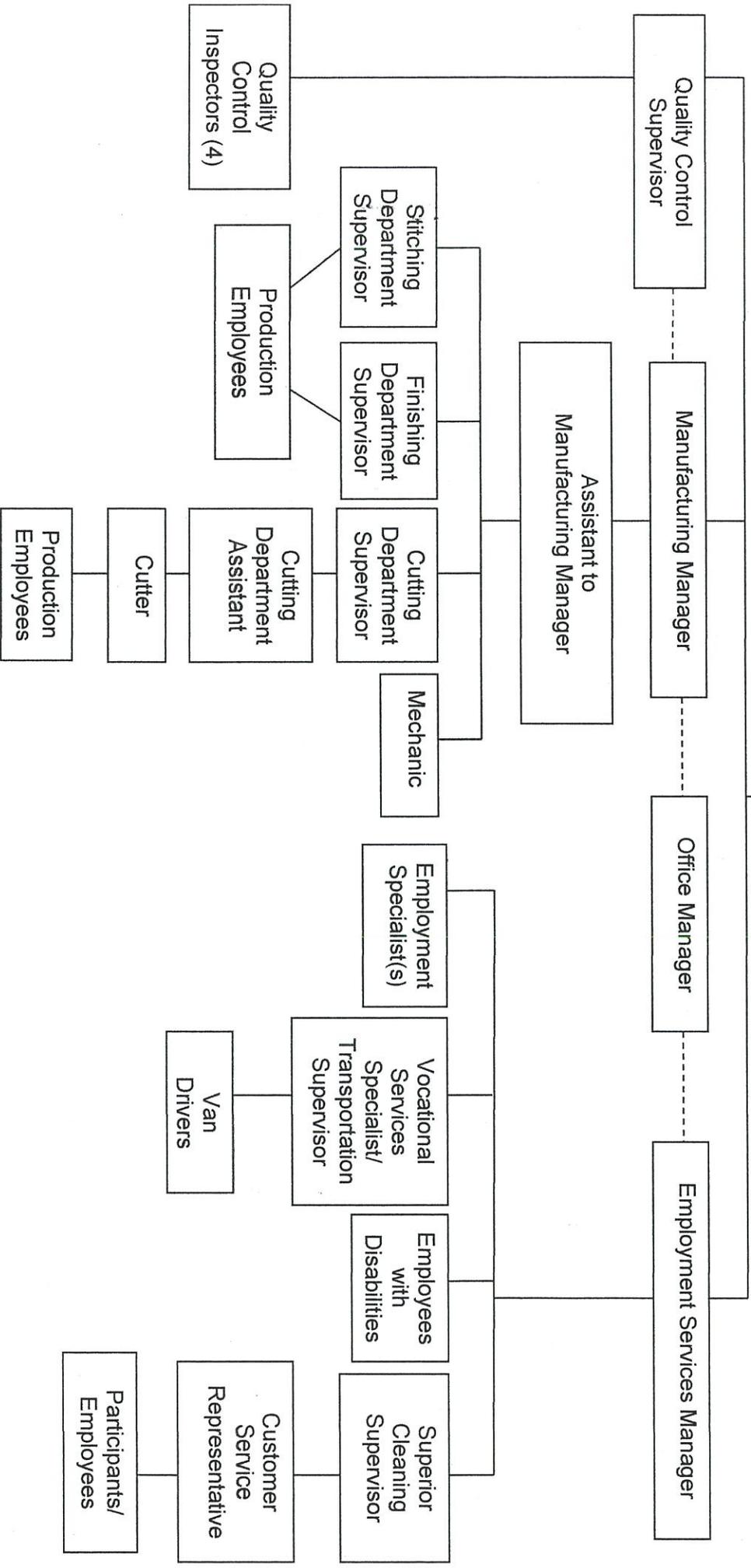
Revised: 03/01/2007



12/31/2012



VICTORIA OPERATIONS



STEPS, INC.
INFORMATION ON EMPLOYEE RIGHTS
YOU

1. Have the right to be treated with respect by your fellow co-workers.
2. Have the right to receive a paycheck every two weeks.
3. Have the right to expect that your personal information will be kept confidential.
4. Have the right to equal employment under the law regardless of race, color, sex, disability, religion or national origin.
5. Have the right to a safe and healthful workplace.
6. Have the right to request leave based on the criteria included in The Family and Medical Leave Act of 1993.
7. Have the right to be compensated according to federal minimum wage laws.
8. Have the right to apply for Workers Compensation benefits.
9. Have the right to grieve.

EMPLOYEE RIGHTS AND RESPONSIBILITIES UNDER THE FAMILY AND MEDICAL LEAVE ACT

Basic Leave Entitlement

FMLA requires covered employers to provide up to 12 weeks of unpaid, job-protected leave to eligible employees for the following reasons:

- For incapacity due to pregnancy, prenatal medical care or child birth;
- To care for the employee's child after birth, or placement for adoption or foster care;
- To care for the employee's spouse, son, daughter or parent, who has a serious health condition; or
- For a serious health condition that makes the employee unable to perform the employee's job.

Military Family Leave Entitlements

Eligible employees whose spouse, son, daughter or parent is on covered active duty or call to covered active duty status may use their 12-week leave entitlement to address certain qualifying exigencies. Qualifying exigencies may include attending certain military events, arranging for alternative childcare, addressing certain financial and legal arrangements, attending certain counseling sessions, and attending post-deployment reintegration briefings.

FMLA also includes a special leave entitlement that permits eligible employees to take up to 26 weeks of leave to care for a covered service member during a single 12-month period. A covered service member is: (1) a current member of the Armed Forces, including a member of the National Guard or Reserves, who is undergoing medical treatment, recuperation or therapy, is otherwise in outpatient status, or is otherwise on the temporary disability retired list, for a serious injury or illness*; or (2) a veteran who was discharged or released under conditions other than dishonorable at any time during the five-year period prior to the first date the eligible employee takes FMLA leave to care for the covered veteran, and who is undergoing medical treatment, recuperation, or therapy for a serious injury or illness.*

***The FMLA definitions of "serious injury or illness" for current service members and veterans are distinct from the FMLA definition of "serious health condition."**

Benefits and Protections

During FMLA leave, the employer must maintain the employee's health coverage under any "group health plan" on the same terms as if the employee had continued to work. Upon return from FMLA leave, most employees must be restored to their original or equivalent positions with equivalent pay, benefits, and other employment terms.

Use of FMLA leave cannot result in the loss of any employment benefit that accrued prior to the start of an employee's leave.

Eligibility Requirements

Employees are eligible if they have worked for a covered employer for at least 12 months, have 1,250 hours of service in the previous 12 months*, and if at least 50 employees are employed by the employer within 75 miles.

***Special hours of service eligibility requirements apply to airline flight crew employees.**

Definition of Serious Health Condition

A serious health condition is an illness, injury, impairment, or physical or mental condition that involves either an overnight stay in a medical care facility, or continuing treatment by a health care provider for a condition that either prevents the employee from performing the functions of the employee's job, or prevents the qualified family member from participating in school or other daily activities.

Subject to certain conditions, the continuing treatment requirement may be met by a period of incapacity of more than 3 consecutive calendar days combined with at least two visits to a health care provider or one visit and a regimen of continuing treatment, or incapacity due to pregnancy, or incapacity due to a chronic condition. Other conditions may meet the definition of continuing treatment.

Use of Leave

An employee does not need to use this leave entitlement in one block. Leave can be taken intermittently or on a reduced leave schedule when medically necessary. Employees must make reasonable efforts to schedule leave for planned medical treatment so as not to unduly disrupt the employer's operations. Leave due to qualifying exigencies may also be taken on an intermittent basis.

Substitution of Paid Leave for Unpaid Leave

Employees may choose or employers may require use of accrued paid leave while taking FMLA leave. In order to use paid leave for FMLA leave, employees must comply with the employer's normal paid leave policies.

Employee Responsibilities

Employees must provide 30 days advance notice of the need to take FMLA leave when the need is foreseeable. When 30 days notice is not possible, the employee must provide notice as soon as practicable and generally must comply with an employer's normal call-in procedures.

Employees must provide sufficient information for the employer to determine if the leave may qualify for FMLA protection and the anticipated timing and duration of the leave. Sufficient information may include that the employee is unable to perform job functions, the family member is unable to perform daily activities, the need for hospitalization or continuing treatment by a health care provider, or circumstances supporting the need for military family leave. Employees also must inform the employer if the requested leave is for a reason for which FMLA leave was previously taken or certified. Employees also may be required to provide a certification and periodic recertification supporting the need for leave.

Employer Responsibilities

Covered employers must inform employees requesting leave whether they are eligible under FMLA. If they are, the notice must specify any additional information required as well as the employees' rights and responsibilities. If they are not eligible, the employer must provide a reason for the ineligibility.

Covered employers must inform employees if leave will be designated as FMLA protected and the amount of leave counted against the employee's leave entitlement. If the employer determines that the leave is not FMLA protected, the employer must notify the employee.

Unlawful Acts by Employers

FMLA makes it unlawful to any employer to:

- Interfere with, restrain, or deny the exercise of any right provided under FMLA; and
- Discharge or discriminate against any person for opposing any practice made unlawful by FMLA or for involvement in any proceeding under or relating to FMLA.

Enforcement

An employee may file a complaint with the U. S. Department of Labor or may bring a private lawsuit against an employer.

FMLA does not affect any Federal or State law prohibiting discrimination, or supersede any State or local law or collective bargaining agreement which provides greater family or medical leave rights.

HIPAA Notice of Privacy Practices

STEPS, Inc.
225 Industrial Park Road
Farmville, VA 23901
434-315-5909

THIS NOTICE DESCRIBES HOW MEDICAL INFORMATION ABOUT YOU MAY BE USED AND DISCLOSED AND HOW YOU CAN GET ACCESS TO THIS INFORMATION. PLEASE REVIEW IT CAREFULLY

This "Notice of Privacy Practices" describes how STEPS, Inc. may use and disclose your protected health information (PHI) to carry out treatment, payment or healthcare operations (TPO) and for other purposes that are permitted or required by law. It also describes your rights to access and control your protected health information. "Protected health information" is information about you, including demographic information, that may identify you and that relates to your past, present, or future physical or mental health or condition and related services.

Uses and Disclosures of Protected Health Information

Your protected health information may be used and disclosed by STEPS, Inc. and others outside of our agency that are involved in the provision of treatment and training services to you, to pay for the cost of your services, to support the operation of STEPS' programs, and any other use required by law.

Treatment: We will use and disclose your protected health information to provide, coordinate, or manage your health care or any related services. This includes the coordination or management of your health care with a third party. For example, we would disclose your protected health information, as necessary to a physician, hospital emergency room staff, or rescue squad personnel, that provides care to you to ensure that they have the needed information to diagnose or treat you.

Payment: Your protected health information will be used as needed, to obtain payment for the services you receive from our agency.

Program Operations: We may use or disclose, as needed, your protected health information in order to support the business activities of our program. These activities include, but are not limited to, quality assessment activities, employee review activities, licensing, accreditation, and conducting or arranging for other business activities. We may use your protected health information in the following situations without your authorization in situations to include the following: as required by law; Public Health issues; Communicable Diseases; Abuse or Neglect; Legal Proceedings; Law Enforcement; Criminal Activity; Military Activity and National Security; and Workers' Compensation. Under the law, we must make disclosures to you when required by the secretary of the Department of Health and Human Services to investigate or determine our compliance with the requirements of Section 164.500.

Other Permitted and Required Uses and Disclosures: Will be made only with your consent, authorization or opportunity to object unless required by law.

You may revoke this authorization, at any time, in writing, except to the extent that our program has taken action in reliance on the use or disclosure indicated in the authorization.

Your Rights

Your rights, with respect to your protected health information are as follows:

You have the right to inspect and copy your protected health information. Under federal law, however, you may not inspect or copy the following records: psychotherapy notes; information compiled in reasonable anticipation of, or use in, a civil, criminal, or administrative action or proceeding, and protected health information that is subject to law that prohibits access to protected health information.

You have the right to request a restriction of your protected health information. This means you may ask us not to use or disclose any part of your protected health information for the purposes of treatment, payment, or program operations. You may also request that any part of your protected health information not be disclosed to family members or friends who may be involved in your services or for notification purposes as described in this Notice of Privacy Practices. Your request must state the specific restriction requested and to whom you want the restriction to apply.

STEPS, Inc. is not required to agree to a restriction that you request. If we believe it is in your best interest to permit use and disclosure of your protected health information, your protected health information will not be restricted. You then have the right to use another service provider.

You have the right to request to receive confidential communications from us by alternative means or at an alternative location. You have the right to receive a paper copy of this notice from us, upon request, even if you have agreed to accept this notice alternately, i.e. verbally or electronically.

You may have the right to have our agency amend your protected health information. If we deny your request for amendment, you have the right to file a statement of disagreement with us and we may prepare a rebuttal to your statement and will provide you with a copy of any such rebuttal.

You have the right to receive an accounting of certain disclosures we have made, if any, of your protected health information.

Complaints

You may complain to us or to the Secretary of Health and Human Services if you believe your privacy rights have been violated by us. You may file a complaint with us by notifying our privacy officers, Cynthia Saunders or Ryan Follett, of your complaint. We will not retaliate against you for filing a complaint.

STEPS, Inc. reserves the right to change the terms of this notice and will inform you by mail of any changes. You then have the right to object or withdraw as provided in this notice.

QUALITY POLICY STATEMENT

STEPS, Inc. mandates that meeting customer's specifications and expectations regarding quality is foremost in the operation of its entire organization in order to achieve its goal of employing and training people with disabilities while producing quality, marketable products. This Quality Assurance Manual has been developed to ensure that the company's policies under this mandate are available and understood by everyone.

All employees are required to follow this manual and supporting documentation as applicable to the requirements of their position. No deviation from the procedures enclosed is allowed without the direct permission of the Chief Executive Officer.

The Quality Control Supervisor or designee is responsible for the proper and timely implementation of the quality system, and has been given the proper authority to ensure its continued success and effectiveness.

Sharon L. Harrup, Chief Executive Officer
STEPS, Inc.

Nancy Conner, Management Representative
STEPS, Inc.

STEPS, Inc.

HEALTH AND SAFETY
HANDBOOK

Farmville, VA

February 2004

HEALTH AND SAFETY HANDBOOK

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Introduction

STEPS, Inc. is committed to maintaining a safe environment for all staff, production workers, participants and others while using the STEPS facilities and equipment or while involved in any STEPS sponsored activity or program. But safety, as the old saying goes, is everybody's business.

These safety policies were developed to help us remember that maintaining a safe environment is an ongoing process. First, we have to prevent unsafe conditions and incidents. Then we must train ourselves to deal with emergencies and unsafe conditions if they occur. And finally, we look for unsafe conditions and incidents so that we can do something to prevent these conditions and/or incidents from happening again.

This handbook is for your use. It applies to all staff, production workers, participants, volunteers and temporary workers. If you have suggestions for changes or improvements in these policies, contact a member of the STEPS Safety Committee.

The STEPS Safety Committee and Its Responsibilities

This committee is made up of staff, production workers and participants from STEPS facilities. This committee meets four (4) to twelve (12) times a year to talk about health and safety problems and to come up with ways to solve problems.

The STEPS Safety Committee:

1. Schedules outside inspections of all STEPS facilities
2. Conducts self-inspections of all STEPS facilities
3. Sets up and carries out plans to deal with emergencies
4. Conducts fire drills, natural disaster drills, chemical spill drills, bomb threat tests
5. Provides training for staff, production workers, participants, volunteers and temporary workers
6. Reviews and makes changes to this Handbook
7. Follows through to correct health and safety problems
8. Publishes and posts reports about what the Safety Committee does

Your Responsibility When You Find Something Unsafe at STEPS, Inc.

If you see something unhealthy or unsafe at STEPS, like water on the floor, please wipe it up. Never walk past an unsafe condition; correct it on the spot, if you can.

If you can't take care of it yourself, tell your immediate supervisor or a member of the Safety Committee. (See names posted on the bulletin board at each facility).

If someone is sick or hurt, tell your immediate supervisor or someone trained in First Aid or CPR. (See names posted on the bulletin board at each facility).

Once you've taken care of the safety problem or have told someone about it, make sure it gets reported to the Chairman of the Safety Committee and the Human Resource Manager.

What to Do in Case of an Emergency

For some types of emergencies, like fires and bomb threats, it is your responsibility to get out of the building as fast and as safely as possible when you hear or see the alarm. If you see a fire in the building, tell your immediate supervisor right away. If you are in a room that has a door, close the door before you leave. Look for the red EXIT sign and go to the nearest door and calmly move out of the building. Do not return to the building until you have been given the "all clear" sign.

In case of a tornado, it is your responsibility to stay in the building in an area that is safe from the storm when you hear or see the alarm. Move calmly and quickly from your workstation to the tornado shelter in your building. If you don't know where to go, ask your supervisor.

Throughout the year, STEPS, Inc. gives you an opportunity to practice these drills.

First Aid Supplies

First aid supplies are located in all STEPS facilities. Look for a cross on the wall or cabinets to mark where supplies are located.

Fire Extinguishers

Fire extinguishers are located in all STEPS facilities, vans and cars. Know where the closest fire extinguisher is to your workstation. Keep the space in front of fire extinguishers clear so that you can get to them if you need to. If you need to use a fire extinguisher, follow the instructions on the front of the extinguisher or ask your supervisor for assistance.

Chemicals

Some jobs require that you use chemicals that could hurt you if they're not used right. These could be things like cleaning products, gasoline, etc. If you are working with any chemicals, ask your immediate supervisor about preventing problems or look for the MSDS sheets that are located at each STEPS facility. These sheets will tell you how to use the chemical safely and what to do if the chemical is used incorrectly.

Personal Protective Equipment

Personal protective equipment such as rubber gloves, facemasks, goggles and other items are located in all STEPS facilities. These items are to be used when cleaning up, giving CPR or rendering first aid. Ask you immediate supervisor where to find these things and how to use them if needed.

Reporting Accidents

If you see any accident or see someone hurt, report it to your immediate supervisor right away. If you witnessed the accident, you may be asked to complete a Witness' Report of Accident Form.

Trash and Recycling

Each STEPS facility has two containers located in the lunch room. One container is for trash and the second container is for aluminum (soda) cans. Make sure that you throw discarded items in the proper containers.

Snow and Ice Removal

STEPS, Inc. tries to keep snow and ice off of sidewalks and parking lots. If you see a slippery spot, tell your immediate supervisor. In general, be extra careful when moving around outside in snowy/icy weather.

Repairs

If you see anything that needs repair, such as machinery, tools, the building, etc., tell your immediate supervisor right away.

If a piece of machinery has a lock or tag on it, the equipment has been locked out or tagged out. Do not remove the lock or tag under any circumstances. If you have questions about the condition of the equipment ask your immediate supervisor.

Your Responsibility for Health and Safety

Any employee who carelessly causes an injury or accident to him/herself or others may be disciplined. This could include a written notice in your personnel file, suspension from work or even termination.

General Safety Rules

- Before starting a job or using a machine, be sure that you understand how it works. If you don't know, ask your immediate supervisor for instructions and then follow the instructions carefully.
- Do not operate any machine or equipment that has not been assigned to you by your immediate supervisor.
- Do not remove, change or adjust any guard or safety device on any machine. Report any guards or safety devices that are not on machines to your immediate supervisor.
- Do not use, change or repair any machine or other equipment that is not in safe working condition or that has been locked/tagged out. Let your immediate supervisor know right away if equipment is out of order or doesn't work right.
- Report any unsafe conditions to your supervisor immediately.
- Report all injuries, suspected injuries, vehicle accidents, fires, chemical spills and property damage to your supervisor immediately.
- Do not put your fingers, hands or feet into dangerous areas when operating any machine. Use tools and machines only the way you were taught to use them.
- Use protective equipment, like goggles, hard hats, facemasks, earplugs, protective clothes, breathing devices, on all jobs and work areas the Safety Committee has indicated can be dangerous.
- Wear clothes that are right for the job that you are doing. Never wear loose clothes or shoes, rings, neckties, wristwatches, shorts, open-toed shoes or other clothes that could be dangerous on your particular job.
- Do not use compressed air for dusting clothes, hair, face or hands.
- When you lift heavy things or persons, bend your knees, keep your back straight, and lift with your legs. Ask for help when the load is too heavy.
- Keep all aisles and working areas neat, clean and easy to get to.
- Learn about the chemicals that you may work with; some may be dangerous. Store, use and throw away all chemicals that burn and other dangerous materials in special containers. Keep things that burn away from furnaces and heaters.

- Do not ride on any hand trucks.
- Do not operate mobile equipment (i.e., forklifts, etc.) without training. Only the driver should ride on a forklift.
- Wear seat belts while operating all vehicles equipped with seat belts.
- Do not distract the attention of others. Scuffling, horseplay and practical jokes are unsafe.
- Follow STEPS smoking policy and smoke in designated smoking areas.
- Tell your immediate supervisor if you are not physically able to work due to sickness.
- After using tools, clean them and place them back in their proper storage place.
- Keep your medication in a safe place and take only as prescribed. Do not give any medication to others.
- Do not leave cords, hoses, ropes, etc. on the floor or sidewalk where someone might trip over them.
- Do not bring beer, alcohol or illegal drugs to work with you or use them on the job.
- Do not bring knives, guns, fireworks or other weapons to work with you.
- Do not drive vehicles if you do not have a license to drive them.
- Keep your work area clean and safe.
- Wash your hands after using the bathroom and before and after eating.

STEPS, Inc.

**PRODUCTION WORKER
PERSONNEL POLICIES**

Farmville, VA

STEPS, Inc.
PRODUCTION WORKER PERSONNEL POLICIES

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STEPS, Inc.

Policy Title: INTRODUCTION - Welcome

Policy No.: 1.01

STEPS, Inc. welcomes you as part of its team of competent, dedicated employees working together to achieve our Organization's mission: "To provide employment opportunities and related services to individuals with diverse abilities in our communities." We know that you will find your role both rewarding and challenging.

These policies have been established so that all employees will understand their mutual rights and responsibilities in the achievement of our Organizational goals.

Welcome to STEPS, Inc.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: INTRODUCTION - History

Policy No.: 1.02

The "Tri-County Sheltered Workshop" was founded in 1976 in Farmville as a satellite program of Lynchburg Sheltered Industries. In 1982, with the cooperation of Lynchburg Sheltered Industries, the Farmville workshop formed its own Board of Directors and applied for its own private, not-for-profit incorporated status. In doing so, the Board of Directors changed the name to "The Sheltered Workshop in Farmville, Inc." In August 1990, the management of the workshop changed along with the name of the organization. The name was changed to "Southside Training, Employment and Placement Services, Inc." but utilizes the trade name "STEPS, Inc." The name change reflected the new purpose of the facility: to provide job training and employment opportunities. We currently provide services in eleven (11) jurisdictions: Amelia, Appomattox, Brunswick, Buckingham, Charlotte, Cumberland, Halifax, Lunenburg, Mecklenburg, Nottoway and Prince Edward. We also provide job training and placement services to welfare recipients through our Community Employment Division. Employment outcomes can range from unsubsidized competitive employment in the individual's home community or employment within our organization.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: INTRODUCTION –
Chief Executive Officer's Letter

Policy No.: 1.03

Every position within the STEPS, Inc. structure is an integral part of this organization. Regardless of your job title, you are in a position to contribute toward our mission. In other words, you are an important and valued employee. I sincerely hope that your dedicated efforts will bring you personal and professional satisfaction and the rewarding feeling that you are a valued member of our team.

The purpose of these personnel policies is to provide a guide that, if followed, works toward the mutual benefit of everyone involved with STEPS. As with teams, certain guidelines must be established so that everyone works toward a common goal. The policies and procedures contained in this manual will provide the information you need to become a contributing member of our team.

The policies in this manual are very important to you and to our organization. It establishes your rights and responsibilities as an employee and the rights and responsibilities of the organization as your employer. I encourage you to take the time to understand all of the information contained in the following pages. If you have any questions, concerns, or suggestions, please let me know or contact STEPS' Human Resource Manager.

This manual will be revised as policies and procedures evolve. It is important that you keep this manual for reference. As revisions are made, you will be provided with replacement pages. Replacement copies of this manual are available by contacting the Human Resource Manager.

Welcome to the STEPS team!

Sharon L. Harrup, MS
Chief Executive Officer

**Approved: Personnel Committee
Board of Directors**

**Effective: 10/16/2003
Revised: 03/01/2007**

STEPS, Inc.

Policy Title: INTRODUCTION – Authority and Distribution **Policy No.:** 1.04

The Board of Directors of STEPS, Inc., upon recommendation of its Personnel Committee, has the authority to revise the policies contained in this manual. At least annually, the Personnel Committee reviews this manual to determine if changes are indicated.

Each employee receives a copy of this manual during orientation. Employees are encouraged to recommend changes to the Chief Executive Officer or the Human Resource Manager at any time.

**Approved: Personnel Committee
Board of Directors**

**Effective: 10/16/2003
Revised: 03/01/2007**

STEPS, Inc.

Policy Title: INTRODUCTION – At Will Employment

Policy No.: 1.05

Employment at STEPS, Inc. is at will and of indefinite duration. Either you as an employee or the organization may terminate employment at any time and for any reason. No agreement to the contrary is recognized unless such an agreement is in writing and signed by the Chief Executive Officer. These personnel policies are not all inclusive and no employment contract is expressed or implied.

**Approved: Personnel Committee
Board of Directors**

**Effective: 10/16/2003
Revised: 03/01/2007**

STEPS, Inc.

Policy Title: INTRODUCTION – Chain of Command

Policy No.: 1.06

The Board of Directors of STEPS, Inc. is responsible for setting policies for STEPS production workers. The Board employs the Chief Executive Officer, to whom it delegates responsibility for the day to day administration of the organization. The Chief Executive Officer manages the staff who in turn manages production workers, using policies approved by the Board of Directors.

STEPS production workers are accountable to their immediate supervisors.

Approved: Personnel Committee
Board of Directors

Effective: 10/16/2003
Revised: 03/01/2007

STEPS, Inc.

Policy Title: INTRODUCTION – Open Door Policy

Policy No.: 1.07

Following the appropriate channels of communication, all employees are encouraged to provide input and suggestions concerning the overall operation and programs of STEPS, Inc. You are urged to initially bring your comments to your immediate supervisor. In those cases where this may be inappropriate, you may approach your department head or the Chief Executive Officer.

STEPS operates in an “open door” manner. All input from employees is considered and should be presented without fear of personal recrimination.

Approved: Personnel Committee
Board of Directors

Effective: 10/16/2003
Revised: 03/01/2007

STEPS, Inc.

Policy Title: INTRODUCTION – Code of Ethics

Policy No.: 1.08

It is the policy of STEPS, Inc. to promote good values and positive, professional relations among employees, participants, Board of Directors and all other individuals in contact with STEPS. Towards that end, the following code of ethics has been established with which all employees are expected to comply.

Relations with other employees:

- Respect the rights and views of fellow employees and treat them with fairness, courtesy and good faith.
- Respect the differences of all employees.
- Develop working relationships that respect individual talents and capabilities.
- Participate in dialogue with all employees, which include listening, talking, clarifying, and writing.
- Share expertise and information with other employees who are seeking assistance.
- Be objective, fair, and responsible when supervising and evaluating another employee.
- Maintain confidentiality.
- Be responsible and report to your supervisor if another employee has violated ethical standards.
- Avoid personal relations with participants.

Relations with the Board of Directors:

- Respect the position and role of each Board member.
- Avoid relationships or commitments that conflict with the interest of the Board or agency.

Relations with other businesses/contractual relationships/outside contacts/ financial practices:

- Maintain and promote a professional attitude and positive image while representing STEPS, Inc.
- When engaged in a supplier relationship, seek the best and most cost effective products and services.
- Avoid any personal gain or benefit from outside associations, which arise because of employment with STEPS, Inc.

Marketing Activities:

- Adhere to and work towards the mission of STEPS, Inc.
- Participate in the overall agency development and management through departmental meetings, planning sessions and any other opportunities presented.

Relations with Participants:

- Provide services without regard to age, race, creed, color, sex, disability, national origin, ancestry, sexual orientation, or any other basis as prohibited by State or Federal law.
- Treat all participants with dignity, value, and respect.
- Display a genuine interest in all participants and be committed to providing services in the participant's best interest.
- Provide efficient, pertinent, and effective services for participants and their caregivers.
- Respect the privacy of participants and maintain the confidentiality of participant records.
- Avoid relationships or commitments that conflict with the interest of participants.
- Avoid personal relations with participants.
- Respect the relationships between participants and other organizations in the initiation of services, minimizing the risk of confusion and conflict.
- Respect the diverse needs of participants and act in a manner that upholds their human and civil rights.
- Promote independence and productivity.

Other:

- Evaluate one's own strengths, limitations, biases and effectiveness.
- Strive to become and remain proficient in the skills needed for one's own position.
- Accurately represent one's own education, training, experience and competencies.
- Avoid internal/external relations that could impair judgment.
- Avoid engaging in or condoning any form of harassment or discrimination.
- Understand that all information produced at STEPS, Inc. for its programs, education and public relations remains the property of STEPS.
- Be honest and open, maintaining integrity and sincerity.
- Maintain respect for agency policies, procedures, and decisions.
- Use the resources of the organization only for the purposes for which they were intended.
- Act in accordance to high standards of professional integrity, adhering to all applicable laws and regulations.
- Correct, whenever necessary, false, misleading, or inaccurate information and presentations made by others concerning STEPS.
- Always approach any work-related problem in a problem solving manner, rather than complaining about the presumed reasons for the problem.
- During employment and upon employment termination, respect the integrity and reputation of STEPS through maintaining confidentiality of sensitive information including employee records.
- Understand that a violation of the Code of Ethics may be grounds for dismissal.

- Whistleblowers and others who make protected disclosures in good faith shall not be retaliated against in any manner, with the intent of adversely affecting the terms or conditions of employment or enrollment (including but not limited to, threats or physical harm, loss of job, adverse or punitive work assignments or impact on salary or wages) and shall be protected from such retaliation by STEPS. This protection from retaliation is not intended to prohibit supervisors or administrators from taking action, including disciplinary action, in the usual scope of their duties and based upon valid performance related factors. Whistleblowers and others who believe they are the subject of prohibited retaliation should promptly report such actions to the Human Resource Manager.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

Revised: 02/28/2009

Revised: 02/29/2012

STEPS, Inc.

Policy Title: INTRODUCTION –
Organization Strategic Plan

Policy No.: 1.09

STEPS, Inc. has an organization Strategic Plan which outlines our mission, values, strengths and weaknesses, opportunities and threats, and spells out our five year plan for the accomplishment of our mission. This long range plan identifies goals and objectives for the next five years and an action plan for the current year. The results of the actions specified in the plan are reviewed annually by the administrative staff and Board of Directors to determine progress. You are urged to review the current Strategic Plan for STEPS, Inc. to identify how your role contributes to the satisfaction of our mission.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: INTRODUCTION – Organization Manuals

Policy No.: 1.10

STEPS, Inc. publishes the following manuals:

1. Personnel Policies – Staff
2. Personnel Policies – Production Worker
3. Personnel Policies – Participant
4. Board Orientation Manual
5. Administrative Policies and Procedures Manual
6. Health and Safety Handbook
7. Safety Committee Manual
8. Safety Policies and Procedures Manual
9. Rehabilitation Policies and Procedures Manual

You are expected to review these documents and use them as reference when policy and procedural questions arise. As always, your suggestions for changes, additions, and/or deletions are welcome.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2005

STEPS, Inc.

Policy Title: INTRODUCTION –
Role of the Production Worker

Policy No.: 1.11

STEPS, Inc. employs production workers for several reasons:

1. To satisfy production demands in recycling, sewing and subcontract operations,
2. To serve as “productivity multipliers” for participants working in these areas,
3. To serve as worker role models for participants,
4. To build a well-rounded, yet diverse production workforce in recycling, sewing and subcontract operations.

Production workers are expected to work with STEPS participants, side by side in a coworker relationship. Production workers do not supervise or train participants, but do enable them to increase the quantity and quality of their productivity and to learn to work in an integrated environment.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: HIRING AND ORIENTATION –
Affirmative Action/Civil Rights

Policy No.: 2.01

STEPS, Inc. provides equal employment opportunity to all persons without regard to age, race, creed, color, handicap, marital status, sex, national origin, ancestry, sexual orientation, membership in the national guard, state defense force or any other reserve component of the military services of the United States or this state and promotes the full realization of this policy through a positive, continuing program of affirmative action. STEPS, Inc. is committed to equal opportunity for all applicants and staff members in personnel matters, including recruitment and hiring, benefits, staff development, promotion and transfer, compensation, and voluntary or involuntary termination. The organization strives for an employee base that reflects diversity.

STEPS, Inc. will attempt to achieve and maintain a diverse work force. These steps include, but are not limited to, the following:

1. Pursuing our affirmative action program along with regular review by the Board of Directors.
2. Ensuring that STEPS, Inc. policy regarding equal employment opportunity is communicated to all employees.
3. Ensuring that hiring, promotion, and wage/salary administration practices are fair and consistent with the policies of the corporation.
4. Reporting to the Board of Directors on all activities and efforts to implement the corporation's policy of equal employment opportunities.
5. To the extent that our employee base is not diverse, we will make special recruitment efforts as part of this plan.

Each employee having supervisory responsibility over other employees must provide equal opportunity for all employees with regard to work assignments, staff development, promotion and transfer, and other conditions and privileges of employment and must work to assure a continuation of this policy of affirmative action.

Contact the Human Resource Manager for a copy of our Civil Rights Compliance Action Plan for information on how to file a complaint.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: HIRING AND ORIENTATION –
Equal Employment Opportunity

Policy No.: 2.02

STEPS, Inc. believes that equal opportunity for all employees is important for the continuing success of our organization. In accordance with state and federal laws, STEPS, Inc. will not discriminate against an employee or applicant for employment because of age, race, creed, color, handicap, marital status, sex, national origin, ancestry, sexual orientation, membership in the national guard, state defense force or any other reserve component of the military services of the United States or this state in the hiring, promotion, demotion, or transfer, staff development, benefits, voluntary or involuntary terminations, recommendations, rates of pay, or other forms of compensation. Opportunity is provided to all employees based on the qualifications and job requirements.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: HIRING AND ORIENTATION –
Americans with Disabilities Act

Policy No.: 2.03

STEPS, Inc. encourages applications from persons with disabilities and does not discriminate against them in any way. STEPS, Inc. complies with the Americans with Disabilities Act (ADA) of 1990, by:

- Considering all applicants with disabilities for employment using the same criteria as are used for the employment of persons who do not have disabilities.
- Considering employees with disabilities for promotion or transfer using the same criteria as are used for the promotion or transfer of employees who do not have disabilities.
- Taking steps to make our physical facilities barrier-free and accessible according to appropriate federal and state statutes.
- Making scheduling and other adjustments to reasonably accommodate employees with disabilities.
- Providing training to employees in the provisions of the ADA and their role in adhering to its provisions.
- Posting notices explaining the provisions of the ADA and employees rights under this law.

**Approved: Personnel Committee
Board of Directors**

**Effective: 10/16/2003
Revised: 01/15/2008**

STEPS, Inc.

Policy Title: HIRING AND ORIENTATION –
Hiring Practices

Policy No.: 2.04

It is the policy of STEPS, Inc. to hire the best matched person for a given position and to engage in hiring practices which are fair to both applicants and the organization. STEPS, Inc. posts all vacant staff positions internally to give current staff members, production workers, and participants the opportunity to apply and compete for vacant positions. The organization reserves the right to recruit for all vacant staff and production worker positions outside of STEPS, Inc. in addition to internal posting.

Only those positions which are contained in the organization's budget approved by the Board of Directors may be filled. The Chief Executive Officer and other supervisory staff are authorized to fill vacant positions following these policies and the position's job description in effect at the time of hire.

**Approved: Personnel Committee
Board of Directors**

**Effective: 10/16/2003
Revised: 03/01/2007**

STEPS, Inc.

Policy Title: HIRING AND ORIENTATION –
Definitions of Employment Status

Policy No.: 2.05

1. **Full Time** – is scheduled to work 40 hours per week on a consistent basis.
2. **Part Time** – is scheduled to work less than 40 hours per week on a consistent basis.
3. **Limited Term** – is scheduled to work, on a consistent full or part time basis, for a specified period of time.
4. **Consultant/Contract** – is scheduled to perform a short term, time limited, specific function.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: HIRING AND ORIENTATION –
New Employee Orientation

Policy No.: 2.06

In order to make you feel comfortable in your new position and to help you get to know us, STEPS, Inc. has set up an employee orientation program. This program is designed to give you sufficient information so that you may quickly become familiar with the overall organization's operations as well as the policies and benefits of employment.

Your immediate supervisor will coordinate and conduct your orientation during the first week of your employment. You will have the opportunity to complete various authorizations, receive information regarding various policies, receive the employee handbook and meet personnel with whom you will be working.

In addition, follow-up conferences between you and your immediate supervisor will be held during your introductory period to review various policies and to determine if you are experiencing any problems or difficulties adjusting to your job.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

**Policy Title: HIRING AND ORIENTATION –
Job Descriptions**

Policy No.: 2.07

STEPS, Inc. maintains a written job description for all positions. In the event that new positions are created through expansion or reorganization as reflected in the organization's budget approved by the Board of Directors, written job descriptions will be prepared by the Human Resource Manager.

STEPS, Inc. job descriptions contain the job title, minimum education and experience qualifications, the responsibility and authority of the position, essential duties or functions, required physical activities, driving and other requirements, the position to whom the position reports, and identification of the positions reporting to the position. Job descriptions are reviewed and approved by the Personnel Committee.

Job descriptions are detailed and explicit as possible. However, occasionally employees are required to perform related duties not specified in the job description. Job descriptions are reviewed by the employee and his/her immediate supervisor at the time of the employee performance appraisal and/or in the event of major responsibility or duty changes.

You are provided with a copy of your current job description during your initial job orientation, when you transfer to a new position within STEPS, Inc. and after any changes have been made in the job description.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: HIRING AND ORIENTATION –
Personnel Files

Policy No.: 2.08

A confidential personnel file is maintained for each employee. This file, which is the property of STEPS, Inc., includes your job application, resume, job description, credentials verification, performance evaluations, correspondence and internal memos, employee development records, leave of absence and attendance information, authorizations for payroll deductions, wage/salary changes, authorizations for benefits, and documentation required by state or other regulatory agencies.

Access to your personnel file is limited to the Chief Executive Officer, Management Team Members and your immediate supervisor.

You are responsible for assuring that all information retained by STEPS, Inc. such as your address, phone number, emergency contacts, etc. remain current.

**Approved: Personnel Committee
Board of Directors**

**Effective: 10/16/2003
Revised: 03/01/2007
Revised: 01/15/2008
Revised: 04/29/2008**

STEPS, Inc.

Policy Title: COMPENSATION – Hours of Work

Policy No.: 3.01

It is the policy of STEPS, Inc. to establish work hours for each production worker, based on work load, customer service needs, and the efficient management of personnel resources. Working hours are not the same for all production workers. Your immediate supervisor is responsible for establishing your normal schedule.

All production workers are entitled to two ten minute paid breaks (one in the morning and the other in the afternoon) during your work schedule and a paid 20 minute lunch. Each production worker is required to maintain a time card which logs hours worked for payroll and cost accounting purposes.

The work week commences at 12:01 AM on Sunday and ends at 12 midnight on Saturday.

**Approved: Personnel Committee
Board of Directors**

**Effective: 10/16/2003
Revised: 07/01/2008**

STEPS, INC.

Policy Title: COMPENSATION – Organization Closings **Policy No.:** 3.02

Occasionally, STEPS, Inc. is required to close for all or a portion of a work day due to weather conditions, equipment malfunctions and other emergency closings. You are urged to listen to your local radio and television stations for announcements of closings.

Below is a listing of announcements that will be made on the local stations regarding the status of STEPS during closings.

1. **“STEPS in Farmville/Victoria closed. Follow Code 1.”**
This means that our transportation system will not operate, but all other employees are expected to report to work at their normal time. Any employee not planning to report to work is expected to call in by 7:00 a.m.
2. **“STEPS in Farmville/Victoria closed. Follow Code 2.”**
This means that our transportation system will not operate, but all other employees are expected to report to work at 9:00 a.m. Any employee not planning to report to work is expected to call in by 9:00 a.m.

If you choose to arrive at work before 9:00 a.m., there may not be a supervisor available to let you in the building.

3. **“STEPS in Farmville/Victoria closed. Follow Code 3.”**
This means NO ONE is expected to report to work.

Every effort will be made to have these announcements aired as early as possible. Be sure to listen carefully to ensure that the announcement you hear is for the STEPS plant in which you work.

If you are unable to get to work or you feel that you should leave work due to inclement weather, you will not be paid for the lost time.

The decision to officially shut down is made by the Chief Executive Officer, in consultation with other staff and the area's Transportation Department.

**Approved: Personnel Committee
Board of Directors**

**Effective: 04/17/2003
Revised: 10/02/2006
Revised: 03/01/2007
Revised: 01/15/2008
Revised: 01/26/2009**

STEPS, Inc.

Policy Title: COMPENSATION – Absence and Tardiness **Policy No.:** 3.03

All production workers are expected to be present for their total work schedule, unless excused by their immediate supervisor. Excused absences include illness, illness of a child under sixteen, jury duty, subpoenas and industrial injury. Absences due to illnesses must be accompanied by a doctor's note in order to be considered excused (doctor's payment receipts do not apply). Unexcused absences are those not covered by the above reasons.

If you are absent or tardy, you are required to contact your immediate supervisor as far in advance as possible, stating the reason you will be unable to perform your duties. Any absence not reported will be considered unexcused. STEPS allows employees 96 hours of unexcused absences prior to termination. This 96 hour cycle begins on January 1 and ends on December 31.

Vacations are considered unexcused absences and should be taken from your 96 hours of unexcused absences.

The following disciplinary procedures will apply to your absence and tardiness hours:

- After 32 hours, a verbal warning will be issued
- After 64 hours, a written warning and a 2 day suspension without pay will occur (days on suspension does not count towards absenteeism)
- After 95 hours, the second and final written warning will be issued
- Any time beyond the 96th hour, termination will result

If you are absent for three consecutive days without contacting your immediate supervisor, you will be terminated.

You are not to punch another person's time card nor should you expect another person to punch your time card. This is a Level I offense and is grounds for immediate termination.

THERE WILL BE NO WAIVERS GRANTED!

**Approved: Personnel Committee
Board of Directors**

**Effective: 10/16/2003
Revised: 01/05/2007
Revised: 11/21/2008
Revised: 01/01/2009
Revised: 06/01/2010
Revised: 09/22/2010**

STEPS, Inc.

Policy Title: COMPENSATION – Travel Reimbursement **Policy No.:** 3.04

Employees shall be reimbursed for travel at the State approved rate per mile. Travel payment shall be determined as the mileage required to travel on behalf of the organization and for the completions of the organization's business. It does not include travel to and from the place of residence to the assigned work site. However, if the employee is asked to travel to another site on organization business, mileage is determined by subtracting the usual mileage to and from work.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: ADMINISTRATION –
Non Exempt Employment

Policy No.: 4.01

All production workers are non-exempt under the Fair Labor Standards Act. This means that you are:

1. Paid on an hourly basis for all authorized hours worked. If you work over 40 hours in a work week, you are compensated at the rate of one and one half times your normal hourly rate for hours worked over 40.

This also means that STEPS, Inc. expects you to work no more or no less than the hours authorized by your immediate supervisor.

The accurate punching of your time card assures you of accurate pay for your work.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: ADMINISTRATION –
Method and Time of Payment

Policy No.: 4.02

All employees are paid by check, after 2 PM on a bi-weekly basis, every other Friday. **NO** checks will be distributed prior to 2 PM on pay day. If a pay period ends on a holiday, every attempt will be made to issue checks on the work day immediately before.

If STEPS is closed due to inclement weather, the following shall apply to issuing pay checks:

1. **“STEPS in Farmville/Victoria closed. Follow Code 1.”**
Checks will be issued after 2 PM.
2. **“STEPS in Farmville/Victoria closed. Follow Code 2.”**
Checks will be made available if authorized personnel are working.

Authorized Personnel include: Farmville Locations
Chief Executive Officer
Employment Services Manager
Manufacturing Manager
Human Resource Manager
Business Manager
Bookkeeper
Boutique Manager
Assistant Boutique Manager

Victoria Location
Chief Executive Officer
Employment Services Manager
Manufacturing Manager
Cutting Department Supervisor
Office Manager

3. **“STEPS in Farmville/Victoria closed. Follow Code 3.”**
Checks will not be issued until STEPS reopens for business.

STEPS is willing to mail your paycheck to a provided address. Checks will be mailed on payday. With your **WRITTEN AND SIGNED** authorization, STEPS will also release your check to a friend or relative with proper identification, if you are absent on pay day.

**Approved: Personnel Committee
Board of Directors**

**Effective: 09/08/2004
Revised: 03/01/2007
Revised: 12/09/2009
Revised: 09/29/2010**

STEPS, Inc.

Policy Title: ADMINISTRATION – Overtime

Policy No.: 4.03

You may be required to work overtime when it is deemed necessary by your immediate supervisor. As a non-exempt employee, you are compensated at the rate of one and one half times your hourly rate of pay for hours worked in excess of forty (40) hours in a work week, provided the overtime work has prior approval from your immediate supervisor. Non-worked paid absences (such as holidays) are not included when calculating total hours worked and overtime.

All production workers are required to maintain time cards.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: ADMINISTRATION – Payroll Deductions

Policy No.: 4.04

All deductions from your gross pay fall into the following categories:

1. Those Required by Federal and/or State Law

- a. Employee's share of Social Security tax
- b. Virginia State withholding tax
- c. Federal withholding tax
- d. Liens

2. Those Authorized by You

- a. Your tax sheltered annuity contribution
- b. Your group health and dental contribution
- c. Your supplemental (AFLAC) contribution
- d. Other

The results of these deductions appear on your pay check stub.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: ADMINISTRATION – Liens

Policy No.: 4.05

STEPS, Inc. incorporates the following fee schedule for each lien received on employees:

Department of Taxation Tax Lien	\$20.00 per lien
County Tax Lien	20.00 per lien
Garnishment Summons	10.00 per garnishment
Division of Child Support Enforcement	5.00 per payroll deduction
Wage Assignments	5.00 per payroll deduction

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: ADMINISTRATION –
Job Performance Evaluation

Policy No.: 4.06

The purpose of the job performance evaluation is to identify the employee's performance level, growth potential and developmental needs. Equally important, the performance evaluation provides an opportunity to recognize good performance and to let employees know their contributions have an impact on the organization. Discussions of employee evaluations not only clarify functions, duties and responsibilities, but should motivate the employee towards improved performance. By giving the employee the opportunity to present options of his/her performance, two way communication is encouraged. Effective job performance is the essence of quality service delivery, and the goal of excellent job performance is inextricably linked to the goal of meeting client needs. Employees and supervisors are mutually responsible for quality assurance, efficiency, ethical conduct, and safety in relationship to work performed. The immediate supervisor is responsible on an ongoing basis for:

1. Clarifying the employee's tasks, priorities, and accountabilities as documented on the job description.
2. Motivating the employee toward improved performance.
3. Fostering a positive and productive work relationship with the employee.
4. Soliciting input from the employee on his/her performance and conduct.
5. Keeping the employee informed as to his/her positive accomplishments, areas in need of improvement and expected standards of performance and conduct.
6. Keeping the employee trained in new methods and procedures that may enhance job performance.
7. Keeping the employee informed of agency program/administration changes, especially as it pertains to his/her job position.

The employee is responsible on an ongoing basis for:

1. Seeking clarification and instructions related to tasks, priorities and accountabilities.
2. Requesting supervision in areas of job difficulty.
3. Carrying out duties and functions to the best of his/her ability.
4. Acting on the job in accordance with STEPS, Inc. standards of conduct and performance.

The procedure for Performance Evaluation: In order to provide a framework for Job performance evaluation, it is determined that two processes are necessary: the informal and formal evaluation.

INFORMAL – The informal process consists of the ongoing supervision provided by the immediate supervisor and the interaction between the immediate supervisor and employee. Since it is the function of STEPS to make employees better in their job performance, it is expected that this ongoing supervisory review will be the basis for identifying problems before they become major difficulties and to point out positive accomplishments on the part of the employee.

The informal process should be recorded on a Corrective Action Form as a written description of the issue, discussion and results agreed upon with the employee. Issuance of a Corrective Action Form is not considered a reprimand. It is merely a tool to record issues and steps intended to motivate and encourage the employee to become more productive and to improve performance/behavior.

FORMAL – The formal evaluation process shall begin during the thirty-day period prior to the employee's scheduled evaluation date. The employee and immediate supervisor need to go over the evaluation in general. A period of time should be allowed for the employee to review the evaluation. The employee may add to or attach any comments regarding the evaluation. While it is the practice of STEPS to recognize the dual nature of the evaluation that calls for input from both immediate supervisor and employee, it is also recognized that the immediate supervisor has the authority to determine the content and recommendations on the final evaluation that is submitted to the Chief Executive Officer.

THREE (3) MONTH JOB PERFORMANCE REVIEW: For three months following your initial employment date, you are in an introductory period. This time is used by both the employee and the employer to evaluate each other to determine whether the working relationship is satisfactory and whether employment should become permanent. If during the introductory period, it is apparent that the position is not right for the employee or that the employee is unwilling or unable to meet the requirements of the work in a satisfactory manner, the employee may be terminated without the right to appeal the dismissal or any recourse to grievance procedure. This will be shown as "unadapted for assigned work," or at the employee's election, "resignation."

Under exceptional circumstances when a fair evaluation of the employee's Performance could not be made within the three month period, the immediate supervisor, with the approval of the Chief Executive Officer, may extend the introductory period by a maximum of three months. It should be emphasized that this would only occur during exceptional circumstances. Upon initial employment, the immediate supervisor should provide an orientation to the employee as to the job tasks and the expectations of the facility for performance of the employee in that job position. The immediate supervisor should also begin the evaluation process at that point by sharing the format and evaluation procedure with the employee. Since the employee is in a new situation, the immediate supervisor should provide an ongoing informal

evaluation procedure on a frequent basis.

ANNUAL JOB PERFORMANCE REVIEW: The annual job performance evaluation for all employees is the means for appraising qualitative and quantitative aspects of the employee's work. This evaluation is to be based on job tasks and specific performance criteria. The immediate supervisor and employee will meet to review the completed evaluation form. The evaluation will obtain quantitative and/or qualitative indication of job performance, delineation of strengths and weaknesses in performing job tasks, any changes in job description, the growth potential and developmental needs of the employee, and signature of both immediate supervisor and employee. **NOTE:** the employee's signature only attests to the evaluation having been discussed with him/her and does not necessarily indicate agreement with its content.

**Approved: Personnel Committee
Board of Directors**

**Effective: 10/16/2003
Revised: 03/01/2007**

STEPS, Inc.

Policy Title: ADMINISTRATION –
Employment Information/Payroll History

Policy No.: 4.07

STEPS, Inc. charges employees a fee of \$1.00 per page (\$5.00 minimum) to generate payroll history reports and for completing employment information forms.

This fee is waived for agencies that do not accept pay stubs as proof of employment/income.

**Approved: Personnel Committee
Board of Directors**

Effective: 08/01/2006

STEPS, Inc.

Policy Title: STATUS CHANGE –
Transfer, Promotion and Upgrade

Policy No.: 5.01

STEPS, Inc. encourages you to apply for positions for which you are qualified as they become vacant. If you apply for and secure a position of an equal range to your current position, you will be transferred to that position. If you apply for and secure a position in a higher range, you will be promoted to that position. When a promotion is made or a position is upgraded, the employee may receive a salary increase.

Up to the first 90 calendar days in your new position is considered an introductory period to enable you to learn the new job and to afford your immediate supervisor the opportunity to evaluate your performance. This introductory period may be extended an additional 90 calendar days if more time for training and/or observation is needed.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: STATUS CHANGE – Layoff

Policy No.: 5.02

When it is necessary to reduce the number of facility employees because of lack of work, funds or re-organization, the Chief Executive Officer shall make a thorough analysis of this need. The Chief Executive Officer shall involve the Management Team in making such a study and in developing plans for reduction in the workforce. Employees separated from employment through layoff shall be placed on a list of those eligible for reemployment. This list shall be maintained for six (6) months from the date of such employee's layoff. Decisions made regarding layoff are not subject to the grievance procedure.

When STEPS, Inc. employees face layoffs, the following shall be in effect:

1. Employees that have health and dental insurance will receive a packet from COBRASERV National Service Center in St. Petersburg, Florida explaining what needs to be done in order to continue health and dental coverage. Employees that elect to continue health and dental coverage through COBRA must realize they will be responsible for paying 100% of their premiums directly to COBRASERV.
2. STEPS will continue paying the employee's life insurance for 6 months.
3. Employees that have Supplemental Insurance Policies will be billed directly for their policies at their home address and are responsible for paying 100% of the premiums.
4. Employees will not be entitled to holiday pay.

**Approved: Personnel Committee
Board of Directors**

**Effective: 10/16/2003
Revised: 03/01/2007
Revised: 02/18/2009**

STEPS, Inc.

Policy Title: STATUS CHANGE –
Reduction in Hours and Wages

Policy No.: 5.03

Only the Chief Executive Officer may reduce the hours of employees with an adjustment in wages and fringe benefits. This may be done in lieu of termination when necessitated by economic conditions, reorganization, attendance, lack of work or other conditions. Any decision regarding the reduction in hours is not grievable.

Approved: Personnel Committee
Board of Directors

Effective: 10/16/2003
Revised: 03/01/2007

STEPS, Inc.

Policy Title: STATUS CHANGE –
Suspension

Policy No.: 5.04

Suspension results when a Level I Offense has been committed (See Policy No. 7.02 – Standards of Conduct). Employees on suspension will be eligible to continue their medical and dental coverage through COBRA. STEPS will continue to pay for the employee's life insurance until a final determination is made regarding employment.

Approved: Personnel Committee
Board of Directors

Effective: 10/16/2006

Revised: 03/12/2008

STEPS, Inc.

Policy Title: BENEFITS – Bereavement Leave

Policy No.: 6.01

In cases of death in the immediate family, up to three days leave with pay may be granted to full and part-time employees. Maximum is three days in a calendar year. Bereavement leave takes effect 90 days after your employment with the organization. Other leave types may be used for additional bereavement leave time beyond the three day maximum. Immediate family members include: spouse, children, stepfather, stepmother, stepchildren, siblings, mother, mother-in-law, father, father-in-law, grandchildren and grandparents.

A printed obituary must be presented to enable employees to receive bereavement leave.

**Approved: Personnel Committee
Board of Directors**

**Effective: 10/16/2003
Revised: 07/01/2007
Revised: 04/14/2008**

STEPS, Inc.

Policy Title: BENEFITS – Civil Leave

Policy No.: 6.02

An employee shall be granted leave with pay for serving on a jury providing the leave is scheduled with the immediate supervisor in advance. The employee has one option for receiving pay for that day:

1. Employee can turn into STEPS any payment he or she receives for the time spent in court and STEPS, Inc. will pay the employee for the entire day.

If the employee is involved in a personal case as plaintiff or defendant, he/she shall not be granted civil leave but must use leave without pay.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: BENEFITS – Paid Holidays

Policy No.: 6.03

STEPS full-time production workers are eligible for seven (7) holidays with pay each calendar year, after completion of your Introductory Period.

The Chief Executive Officer will determine the holiday schedule. This schedule will be posted prior to the beginning of each fiscal year (July 1 – June 30).

To be paid for a holiday, you are required to work your full scheduled shift the day before and day after the holiday (unless required by law or under special circumstances such as FMLA).

If it is necessary for a production worker to work on a holiday, he/she is compensated at the rate of one and one-half times their hourly rate of pay for all hours worked over forty (40). Employees should not work on holidays, without the written approval of their immediate supervisor.

**Approved: Personnel Committee
Board of Directors**

**Effective: 10/16/2003
Revised: 03/01/2007
Revised: 12/10/2010**

STEPS, Inc.

Policy Title: BENEFITS – Leave of Absence

Policy No.: 6.04

A leave of absence may be granted to any full or part-time production worker as follows:

1. LEAVE WITHOUT PAY – this includes time off for up to forty-five (45) consecutive work days or 360 hours for any one occurrence and shall not exceed forty-five (45) days or 360 hours in a one year period dated from the first use of leave without pay in the time period. STEPS, Inc. will make every attempt to return you to your previous or a similar position upon your return from leave of absence; however, no guarantee of re-employment in your same position is made. All leave without pay requests must be in writing and be approved in advance by your immediate supervisor and the Chief Executive Officer. If leave without pay is requested and denied, and leave is taken anyway, the days absent will count towards the production worker's designated twelve days or 96 hours of unexcused absences. **This leave will not be granted in conjunction with Family and Medical Leave.**
2. LEAVE WITH PAY – this includes jury and witness duty. If you are reimbursed for these activities, you are expected to reimburse STEPS, Inc. the total of your jury compensation.
3. FAMILY AND MEDICAL LEAVE – family and medical leave will be provided pursuant to State and Federal law.
4. UNIFORMED SERVICES EMPLOYMENT AND REEMPLOYMENT LEAVE (Military Leave) – uniformed services employment and reemployment leave will be provided pursuant to State and Federal law.

If you do not report back to work on your first scheduled day following your leave, you will be terminated.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

Revised: 10/21/2005

Revised: 03/01/2007

STEPS, Inc.

Policy Title: BENEFITS –
Group Health and Dental Insurance

Policy No.: 6.05

STEPS, Inc. makes available group health and dental insurance for all full-time production workers. You are eligible to participate in this insurance after completion of your Introductory Period.

STEPS, Inc. pays a portion of the health insurance for full-time production workers. This amount changes on an annual basis. Contact STEPS' Human Resource Department for the current amount being paid toward the health insurance plan.

STEPS, Inc. pays 50% of the employee portion of the dental insurance plan for full-time production workers.

Production workers on unpaid leave of absence or those persons whose employment with STEPS has terminated may elect to carry and/or continue these benefits, at no cost to STEPS, Inc., up to the limits required by law under The Health Insurance Portability and Accountability Act of 1996 (HIPAA).

STEPS, Inc. reserves the right to change group insurance carriers, agents, benefits, or the amount of staff contributions at any time.

See STEPS Human Resource Manager for details of the plans currently in effect.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: BENEFITS – Group Life Insurance

Policy No.: 6.06

STEPS, Inc. provides a \$10,000.00 group life insurance policy for each full-time and part-time production worker after completion of an Introductory Period. This policy takes effect 90 days after your employment with the organization and is available at no cost to you.

This coverage terminates when you are no longer employed by STEPS, Inc.

Please review your policy for age adjustments to your life insurance premium.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

Revised: 07/01/2007

Revised: 07/01/2010

STEPS, Inc.

Policy Title: BENEFITS – Tax Sheltered Annuity

Policy No.: 6.07

STEPS, Inc. maintains a Tax Sheltered Annuity program to provide access to retirement benefits for all employees. You may elect to enter this program, with your personal contribution (payroll deduction) after your Introductory Period.

The total amount of your contribution is governed by Federal law.

The insurance company carrying Tax Sheltered Annuities for STEPS, Inc. employees may develop regulations which supersede these policies. See the Human Resource Manager or contact your tax sheltered annuity agent for further details.

STEPS, Inc. reserves the right to change Tax Sheltered Annuity carriers or agents at any time.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: BENEFITS – Worker's Compensation

Policy No.: 6.08

If you become injured in the course of your job specific duties, you are covered by Worker's Compensation insurance, which is fully paid by STEPS, Inc. If you are injured on the job, your injury must be promptly reported to your immediate supervisor or the Human Resource Manager.

An injury report describing the accident/injury and the circumstances surrounding it must be completed within 24 hours. This policy applies to all injuries, including minor injuries.

If the worker's compensation injury results in the employee's inability to work for 3 consecutive days; FMLA papers will be completed and sent to the injured employee by certified mail.

For further information see Appendix entitled "Notice to Employees Under Family and Medical Leave Act of 1993."

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

Revised: 03/12/2008

STEPS, Inc.

Policy Title: BENEFITS – Unemployment Compensation **Policy No.:** 6.09

STEPS, Inc. contributes to the Virginia Unemployment Compensation Fund for all full-time regular, part-time regular, full-time temporary and part-time temporary employees with the exception of consultants/contract employees and employees earning special minimum wage.

All Virginia Unemployment Compensation benefits should be applied for through the Virginia Employment Commission.

**Approved: Personnel Committee
Board of Directors**

**Effective: 10/16/2003
Revised: 07/15/2005**

STEPS, Inc.

Policy Title: BENEFITS – Social Security (FICA)

Policy No.: 6.10

STEPS, Inc. is required, by law, to participate in the Federal Insurance Compensation Act (FICA), commonly referred to as Social Security. Under this Act, STEPS withholds a percentage of your pay and deposits it, along with an equal amount contributed by the Organization, into your Social Security account.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: BENEFITS – Travel

Policy No.: 6.11

It is the policy of STEPS, Inc. to reimburse employees for the expenses of travel, including the cost of transportation, meals, lodging, registration fees, parking fees and tolls, provided such travel is performed in the course of conducting STEPS business. It does not include travel to and from the place of residence to the assigned work site. However, if you are asked to travel to another site on agency business, mileage is determined by subtracting the usual mileage to and from work, from the total traveled. You must have the prior approval of your immediate supervisor and must submit an expense voucher along with receipts to secure reimbursement.

The current maximum allowable rates of reimbursement for travel and meals are as follows:

1. Travel (using your car) – State reimbursement rate
2. Meals - \$35.00 per day:
 - Breakfast (\$10.00)
 - Lunch (\$10.00)
 - Dinner (\$15.00)

STEPS, Inc. does not compensate employees for parking or moving violations incurred while traveling, either in their own vehicle or a STEPS owned vehicle.

You are encouraged to use STEPS owned vehicles rather than your own personal vehicle whenever possible.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: BENEFITS – Food Facilities

Policy No.: 6.12

A lunch room is provided at each plant for breaks and meals. Vending machines provide snacks and beverages. A microwave oven and refrigerator are also available for employees use.

Food may not be consumed on the production floor. Water in an enclosed container is the only allowable beverage permitted in the manufacturing area.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: BENEFITS –
Social and Recreational Activities

Policy No.: 6.13

A number of social and recreational activities for STEPS employees are planned each year. Other events are held on an informal basis.

Employees are encouraged to participate in these activities and will be paid for their attendance at these events. If an employee chooses not to participate, they will not be compensated for that day.

The following procedures shall apply for social and recreational activities:

If an employee reports to work and works designated hours:

- | | | | |
|----|-----------------------|---|--|
| 1. | Attends event | - | Paid for the entire day |
| 2. | Does not attend event | - | Paid for hours worked and the remainder of the day will not be counted toward absences |

If an employee does not report to work for designated hours:

- | | | | |
|----|---------|---|------------------------------|
| 1. | Absence | - | Will not be paid for the day |
|----|---------|---|------------------------------|

**Approved: Personnel Committee
Board of Directors**

**Effective: 09/08/2004
Revised: 03/01/2007**

STEPS, Inc.

Policy Title: BENEFITS – Parking

Policy No.: 6.14

STEPS, Inc. provides limited parking space on STEPS' property for staff, production workers, participants and visitors. Designated parking spaces are available only for STEPS owned vehicles. Use of all other parking spaces is on a first come first served basis.

There is also handicapped designated parking for STEPS' employees and visitors. Only people with the appropriate decals will be permitted to park in these designated areas.

Approved: Personnel Committee
Board of Directors

Effective: 10/16/2003

Revised: 10/01/2006

STEPS, Inc.

Policy Title: BENEFITS –
Production Worker Development

Policy No.: 6.15

STEPS, Inc. feels strongly that you should have the opportunity to benefit from work related training and education which will enhance your role within the organization. Production workers development includes in-service training, presentations at STEPS, on the job training, etc.

A report of any training activities in which you participate is completed by your immediate supervisor and placed in your personnel file.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: BENEFITS –
Annual Employee Development Plan

Policy No.: 6.16

As a part of your Job Performance Evaluation, you and your immediate supervisor will develop your Employee Development Plan, which identifies the training and education which you and your supervisor feel will be beneficial to you in your employment with STEPS, Inc.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: BENEFITS – Hepatitis B Vaccine

Policy No.: 6.17

If, in the course of your employment with STEPS, Inc., you are likely to come in contact with human blood or other potentially infectious substances, you will be offered the opportunity to receive the Hepatitis B vaccine at STEPS, Inc. expense.

The following positions are eligible to receive the Hepatitis B vaccine:

- Employment Services Manager
- Cutting Department Supervisor
- Employment Specialists
- Finishing Department Supervisors
- Services Support Assistants
- Recycling Workers
- Stitching Floor Supervisors
- Trainers and In-Process Inspectors
- Van Drivers

Discuss this matter with your immediate supervisor or the Human Resource Manager to determine your need for this vaccine.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: BENEFITS – Section 125 Plan

Policy No.: 6.18

Employees who choose to take advantage of STEPS, Inc. retirement, supplemental insurance, group health and/or dental insurance will have their gross wages/salary reduced by the amount of their personal contribution to these plans. This reduces the amount of your taxable income and therefore the amount of FICA, Federal and State taxes withheld from your check.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: WORK AND PERFORMANCE RULES –
Problem Solving

Policy No.: 7.01

STEPS, Inc. trusts that each employee is committed to the goals of the organization and wishes to succeed at his/her job. Therefore, STEPS, Inc. encourages you to work together to solve organizational problems and to achieve organizational goals, as identified in the STEPS, Inc. Strategic Plan, within your sphere of responsibility and in cooperation with other employees and departments. "Pitching in" to help out periodically is encouraged, but consistently assuming another employee's job is not. Employees are urged to discuss ways to improve systems and performance, both within and between departments, in an effort to solve problems.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: WORK AND PERFORMANCE RULES –
Standards of Conduct

Policy No.: 7.02

The standards of conduct are designed to protect the well being of all employees; to ensure a safe; efficient operation, and to assure compliance with applicable laws. Employees are expected to meet established performance standards and report conditions or circumstances that may prevent them from performing their job effectively. These standards provide supervisors with a fair and objective process for correcting unacceptable conduct.

OFFENSES WARRANTING ACTIONS:

Level I Offenses – Committing a Level I offense will result in immediate termination. Level I offenses include:

1. Theft, participating in a theft, or attempted theft of STEPS' property or the property of any employee or visitor of STEPS, Inc. Also, failing or refusing to cooperate with STEPS in an investigation of a theft or a suspected theft of another employee's or STEPS' property or other conduct harmful to STEPS, Inc.
2. Dishonesty, lying, embezzlement, falsifying STEPS records (including employment application materials), no matter when discovered, falsely reporting any act or transaction or attempting to defraud STEPS by any means, including making a false or fraudulent statement regarding medical leave, overtime, workers' compensation or insurance claims, falsifying financial records, falsifying or padding time records or time cards of another employee, or falsifying or padding expense reports.
3. Willfully damaging, destroying or harming STEPS' property or the property of another employee or visitor.
4. Fighting or assaulting or attempting to assault any member of management, employee or visitor of STEPS, Inc. or deliberately provoking or inciting another person to engage in an assault or fight.
5. Carrying or using firearms or other dangerous weapons or materials on STEPS premises (including STEPS parking lots) or in connection with STEPS business.
6. Involvement in any illegal activities on STEPS premises (including STEPS parking lots) or in connection with STEPS business.
7. Disclosing or misusing confidential information, trade secrets or proprietary business information about any STEPS matter to unauthorized persons or competitors.
8. Disloyalty, including disparaging, maligning or defaming the reputation of STEPS, Inc. or its employees.

9. Receiving a criminal conviction for acts of conduct occurring on or off the job which are of such a nature that to retain the employee in the assigned position could constitute negligence.
10. Insubordination, including refusing or failing to obey a reasonable work request or instruction of a Supervisor, or member of management, or encouraging another employee to refuse or fail to obey such a request or instruction.
11. Violation of STEPS' Equal Employment Opportunity or Sexual Harassment Policy.
12. Reporting to work under the influence of or otherwise impaired by the use of alcohol and/or illegal drugs.
13. Immoral or obscene conduct.
14. Using abusive or profane language when speaking to customers and visitors.
15. Physical abuse to any member of management, customers, visitors or fellow employees.
16. Instigating, encouraging or participating in any illegal work stoppages, slowdowns, strikes, or other interferences with, or restrictions of, STEPS' operations.
17. Unauthorized access to personnel files and client records.
18. Unauthorized use, lending, borrowing or duplicating of STEPS keys.
19. Retaliating against a co-worker for reporting suspected violations of federal, state and/or local laws or reporting a suspected case of non-compliance with STEPS, Inc. personnel policies.

Retaliating in this case is taken to include but not limited to the following:

- a. Blatant retaliation by a supervisor which may include, but not limited to, the loss of a job, being constantly given an unpopular job assignment, being constantly given extra work or being branded as a "troublemaker," or creating barriers to services.
- b. Blatant retaliation by co-workers including being bullied, being picked on or being called names.
- c. Subtle retaliation including shunning by co-workers or failure to be considered for a new assignment.

Whistleblowers and others who make protected disclosures in good faith shall not be retaliated against in any manner, with the intent of adversely affecting the terms or conditions of employment or enrollment (including but not limited to, threats or physical harm, loss of job, adverse or punitive work assignments or impact on salary or wages) and shall be protected from such retaliation by STEPS. This protection from retaliation is not intended to prohibit supervisors or administrators from taking action, including disciplinary action, in the usual scope of their duties and based upon valid performance related factors.

Whistleblowers and others who believe they are the subject of prohibited

retaliation should promptly report such actions to the Human Resource Manager.

20. Failure to contact your immediate supervisor if you are absent for three consecutive days.

Level II Offenses – Violation of Level II offenses will result in issuance of progressive discipline. Level II offenses include, but are not limited to the following:

1. Failing to maintain satisfactory work performance or performing in a careless or incompetent manner.
2. Overstaying meal or break periods.
3. Uncooperative attitude.
4. Failure to work assigned or voluntarily accepted overtime work.
5. Conviction of a moving traffic violation while using a STEPS vehicle.
6. Inability or unwillingness to work amicably and cooperatively with other employees.
7. Loafing, loitering, sleeping or engaging in unauthorized personal business such as excessive personal telephone calls and frequent absences from work areas.
8. Unauthorized access to file cabinets and desks.
9. Leaving work during work hours without prior authorization from your supervisor.
10. Posting, altering or removing materials on bulletin boards unless specifically authorized to do so.
11. Conduct detrimental to STEPS that results in negative public relations or customer service.
12. Negligence in observing fire prevention or other safety regulations, or failure to report on the job injuries or unsafe conditions.

Level III Offenses – Violation of Level III offenses will result in issuance of progressive discipline. Level III offenses include, but are not limited to the following:

1. Unintentional failure to observe written or oral instructions.
2. Excessive soliciting on STEPS time without the permission of the Chief Executive Officer.
3. Eating, drinking or smoking in unauthorized areas.
4. Failure to wear or use required safety equipment while on duty.
5. Excessive absenteeism, tardiness or failure to call in when not able to come to work.

Progressive Discipline

Discipline for Level I, II, and III offenses will be administrated according to progressive discipline set forth by STEPS, Inc. STEPS, Inc. reserves the right to determine the level of the offense and to skip steps based on the facts of each specific case.

OFFENSE	1st Offense	2nd Offense	3rd Offense	FINAL
Level I	Suspension/ Investigation Discharge			
Level II	Written Reprimand	Final Written/ Suspension	Discharge	
Level III	Oral Reprimand	Written/ Suspension	Final Written	Discharge

DUE PROCESS:

Prior to the issuance of any written notices, demotions, transfers with disciplinary salary actions, suspensions or terminations, the Human Resource Manager or designees will review the documentation for the recommended actions to determine if the action is appropriate for the offense.

1. Advance Notice of Discipline to Employees

Prior to the issuance of written notices, disciplinary suspensions, demotions, transfers with disciplinary salary actions and terminations employees must be given oral or written notification of the offense, an explanation of STEPS evidence in support of the charge and a reasonable opportunity to respond.

Note: All internal investigations must be initiated as soon as a complaint is received.

2. Employee Response and “Reasonable Opportunity to Respond”

Employees must be given a reasonable opportunity to respond after receiving notification of pre-disciplinary actions. Normally, a 24 hour period is a sufficient period of time, however, a “reasonable opportunity to respond” should not be based solely on the quantity of time provided but also on the nature of the offense, which may or may not require more or less time to refute or mitigate the charge.

USE OF GRIEVANCE PROCEDURE:

Non-probationary employees may challenge corrective or disciplinary actions through STEPS Grievance Procedure.

RECORDS MANAGEMENT:

STEPS must update employee's personnel files immediately upon issuance of a written notice, upon placing employees on disciplinary suspension and upon subsequent demotions or transfers with disciplinary salary actions and terminations.

**Approved: Personnel Committee
Board of Directors**

**Effective: 10/16/2003
Revised: 05/29/2006
Revised: 01/25/2008
Revised: 02/28/2009**

STEPS, Inc.

Policy Title: WORK AND PERFORMANCE RULES –
Drug Free Workplace

Policy No.: 7.03

It is the policy of STEPS, Inc. that the unlawful manufacture, distribution, dispensation, possession, use of or working under the influence of a controlled substance is prohibited in our organization. Because of the nature of STEPS, Inc. business, any violation of this policy by employees is grounds for immediate dismissal.

STEPS, Inc. establishes a drug free awareness emphasis as part of our in-service training program. This emphasis focuses on the dangers of drug abuse in the workplace and the availability of drug counseling and rehabilitation.

If you are convicted of a drug abuse violation, STEPS, Inc. is required by law to notify any Federal agency with which we have a contract or grant.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: WORK AND PERFORMANCE RULES –
Safety Rules

Policy No.: 7.04

It is the policy of STEPS, Inc. that the safety of all employees and guests and the security of all of our property and that of our customers is the responsibility of all our employees. As a condition of employment, employees are expected to follow all safety rules and practices. If you are in doubt about safety matters concerning STEPS, Inc., consult the Safety Manual, any member of the safety committee and/or your immediate supervisor. The Safety Manual can be found in the office of each plant and members of the Safety Committee are posted on the bulletin boards of each plant.

All injuries sustained during hours of work and which arise out of and in the course of employment, however slight, must be promptly reported to your immediate supervisor so that the proper accident report form can be executed.

Our organizational operations and procedures incorporate a high degree of safety and reliability, but your attention to your own safe behavior will be the deciding factor in your freedom from accident. Become aware of and follow the general safety rules and practices and those in your department. The safety committee encourages all employees to make suggestions on improvements and practices.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: WORK AND PERFORMANCE RULES –
Confidentiality

Policy No.: 7.05

As an employee of STEPS, Inc., you are expected to ensure confidentiality and privacy in regard to history, records and discussions about participants/employees we serve/hire. The very fact that an individual is served/hired by STEPS, Inc. must be kept private and confidential; disclosure can be made only under specified conditions which are described below. This means that you may not disclose any information about a person, including the fact that the person is or is not served/hired by STEPS, Inc. to anyone outside this organization unless you have the proper authorization to do so. This principle of confidentiality must be maintained by all programs, departments, functions and activities. The only exceptions include:

1. The written or signed request of the employee;
2. Court order via subpoena;
3. Situation wherein life and death or medical emergencies prompt one's best judgment to take immediate action.

We make our participants/employees aware of this obligation during their orientation and in the employee handbook that each participant/employee receives.

Should a STEPS' production worker be contacted by the criminal justice system (courts, parole officers, police, etc.) about a participant's/employee's progress or about his/her criminal history, contact your supervisor or the Human Resource Department immediately.

**Approved: Personnel Committee
Board of Directors**

**Effective: 10/16/2003
Revised: 05/22/2006**

STEPS, Inc.

Policy Title: WORK AND PERFORMANCE RULES –
Abuse of Participants

Policy No.: 7.06

A professional and healthy relationship between STEPS, Inc. employees and participants is to be maintained at all times. It is STEPS, Inc. job to help participants with disabilities improve their ability to function within the community. Therefore, no sexual advances, requests for sexual favors, verbal, physical or psychological abuse of participants will be tolerated, whether during work hours or elsewhere. Any interaction between employees and participants that violates this policy will subject you to immediate disciplinary action.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: WORK AND PERFORMANCE RULES –
Sexual Harassment

Policy No.: 7.07

Sexual harassment in any form is unacceptable conduct and is not condoned by STEPS, Inc. Acts of sexual harassment at the workplace by employees against other employees, participants, or the public is not tolerated and is strictly prohibited. Accordingly, STEPS, Inc. established the following standards:

1. It is unlawful and against STEPS, Inc. policy for any employee, male or female, to harass another by: making unwelcome sexual advances or making favors or other verbal or physical conduct of a sexual nature a condition of any employee's work; using an employee's submission to or rejection of such conduct as a basis for or as a factor in any employment decision affecting the individual; or otherwise creating an intimidating, hostile or offensive working environment by such conduct.
2. The creation of an intimidating, hostile or offensive working environment may include such actions as persistent comments on an employee's sexual preferences or the display of obscene or sexually oriented photographs or drawings. Conduct or actions that arise out of a personal or social relationship and that are not intended to have a discriminatory employment effect may not be viewed as harassment. STEPS, Inc. will determine whether such conduct constitutes sexual harassment, based on a review of the facts and circumstances of each situation.
3. STEPS, Inc. will not condone any form of sexual harassment toward others, including participants and the general public. All employees are subject to disciplinary action, up to and including discharge from employment for any act of sexual harassment against others.
4. If you believe that you are being sexually harassed, you should report the harassment to your immediate supervisor at once. If your immediate supervisor is the source of the alleged harassment, you should report the alleged harassment to the Human Resource Manager. All sexual harassment complaints should be in writing and will be investigated as soon as a complaint is received.
5. Supervisors who receive a sexual harassment complaint should carefully investigate the matter, keeping in mind that privacy considerations are applied in handling this type of complaint. The investigating supervisor will question all employees who may have knowledge of either the incident in question or similar problems. The

complaint, investigative steps and findings should be documented as thoroughly as possible.

6. If you are dissatisfied with the investigation's resolution of a sexual harassment complaint, you may file a complaint through the grievance procedure (see Policy 8.01). You will not be subject to any form of retaliation or discipline for pursuing a sexual harassment complaint.

**Approved: Personnel Committee
Board of Directors**

**Effective: 10/16/2003
Revised: 02/28/2009**

STEPS, Inc.

Policy Title: WORK AND PERFORMANCE RULES –
Dress Code

Policy No.: 7.08

Professional attire is expected at all levels of the organization. Your dress must be appropriate to and safe for your job. Shorts are permitted, but must be knee length. Tank tops and midriff tops are not allowed. Clothing with derogatory or distasteful comments is not acceptable. Closed toe shoes must be worn in the manufacturing areas. Personal attention to one's hygiene, neatness and cleanliness is always expected.

Your immediate supervisor is available to discuss the appropriateness and safety of your attire with you.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: WORK AND PERFORMANCE RULES –
Solicitations

Policy No.: 7.09

There will be **NO** solicitation on STEPS property without approval from the Chief Executive Officer.

Approved: Personnel Committee
Board of Directors

Effective: 10/16/2003
Revised: 03/01/2007

STEPS, Inc.

Policy Title: WORK AND PERFORMANCE RULES –
Telephone Use

Policy No.: 7.10

STEPS phones are installed to perform STEPS' business. If you should need to use the STEPS telephone to make an emergency long distance phone call, you are to charge that call to your calling card.

If you should make work related long distance phone calls while away from the office, you will be reimbursed for these calls by presenting a copy of your telephone bill.

Personal cell phones are to be kept turned off and only used during breaks and lunch.

Any abuse of this policy is grounds for disciplinary action.

Approved: Personnel Committee
Board of Directors

Effective: 10/16/2003
Revised: 07/01/2007

STEPS, Inc.

Policy Title: WORK AND PERFORMANCE RULES – **Policy No.:** 7.11
Conflict of Interest

STEPS, Inc. expects your primary interest to be the people we serve. A conflict of interest occurs when your interests or those of another outside party actually or potentially affect STEPS in a negative way. Examples of conflict of interest situations are described below:

1. **OUTSIDE BUSINESS INTERESTS** – You may have outside business interests and outside employment as long as these do not interfere with your STEPS job performance. You may not earn profit from outside employment or business interests that directly result from your affiliation with STEPS, Inc.
2. **GIFTS, GRATUITIES** – You are not to solicit or accept, either directly or indirectly, any gifts, gratuities, free trips, personal property or other items of value from an outside person or organization which could reasonably be considered as a reward for action or inaction on your part.
3. **PERSONAL BELIEFS** – STEPS, Inc. recognizes that our employees may hold a wide range of personal beliefs, values and commitments. These beliefs, values and commitments are a conflict of interest only when they prevent you from fulfilling your job responsibilities, if you attempt to use STEPS, Inc. time and facilities for furthering them or if you continue attempting to convince others of your personal beliefs after you have been asked to stop.

Contact your immediate supervisor, Human Resource Manager or the Chief Executive Officer whenever you have questions about a potential or actual conflict of interest.

Occasionally, STEPS employees are called upon to make presentations to community groups about STEPS, Inc. and the services that it provides. If you are compensated for such an engagement, you are expected to reimburse STEPS, Inc. for the amount of your compensation. On the other hand, if your presentation involves a topic unrelated to STEPS or deals with a more generic related topic and occurs outside of business hours, any compensation received is yours to keep. If you have any questions, contact your immediate supervisor or the Chief Executive Officer.

**Approved: Personnel Committee
Board of Directors**

**Effective: 10/16/2003
Revised: 03/01/2007**

STEPS, Inc.

Policy Title: WORK AND PERFORMANCE RULES –
Speaking to the Media

Policy No.: 7.12

You may not speak to the news media as an official or unofficial spokesperson of STEPS, Inc. without prior clearance from the Chief Executive Officer. All inquiries from the media should be referred to the Chief Executive Officer or in his/her absence, a member of STEPS, Inc. Management Team.

Approved: Personnel Committee
Board of Directors

Effective: 10/16/2003
Revised: 03/01/2007

STEPS, Inc.

Policy Title: WORK AND PERFORMANCE RULES –
Smoking

Policy No.: 7.13

STEPS, Inc. offers a smoke free environment to all staff, participants, production workers and guests. Smoking is not allowed in STEPS building or vehicles.

Smoking is allowed outside of the building in specially designated areas. If you do smoke, you are responsible for keeping the area clean and free of smoking debris.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: WORK AND PERFORMANCE RULES –
Nepotism

Policy No.: 7.14

It is STEPS, Inc. policy to avoid bringing family relationships into the workplace whenever possible. However, on occasion more than one family member may work for STEPS, Inc. at the same time. The following guidelines govern these situations:

1. No undue favoritism in awarding public appointments or governmental patronage to one's relations.
2. No staff member is permitted to hire a relative.
3. When related persons work at STEPS, Inc., one relative may not supervise another relative.
4. Related persons may not be involved in evaluating each other's job performance or in making recommendations for wage/salary adjustments, promotions or other budget decisions.

For purposes of this policy relatives are defined as husband, wife, son, daughter, father, mother, sister, brother, step son, step daughter, step father, step mother, step brother, step sister, grandson, granddaughter, grandfather, grandmother, mother-in-law, father-in-law, brother-in-law, sister-in-law, uncle and aunt.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: WORK AND PERFORMANCE RULES –
Lost and Found

Policy No.: 7.15

The STEPS, Inc. lost and found center is located in the office at each plant.
Contact the Office Manager whenever you have found or lost articles.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: WORK AND PERFORMANCE RULES –
Personal Property

Policy No.: 7.16

STEPS, Inc. is not responsible for the loss or destruction of your personal property if brought to work, used in the course of your work or left in your car. If you require tools to perform your job, you are urged to request them from your immediate supervisor. You are encouraged to keep your car locked at all times.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: WORK AND PERFORMANCE RULES –
Credentials/Licenses Verification

Policy No.: 7.17

If the position for which you are hired requires that you possess post high school credits or degrees in a given area, you are required to present proof of same for inclusion in your personnel file. Likewise, if your position requires any form of licensing, including a driver's license, you are required to provide documentation of information contained in this license for your personnel file and to keep this information current.

If you do not make these credentials available within 3 days of hire, you will be subject to disciplinary action or termination.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: WORK AND PERFORMANCE RULES –
Workplace Violence

Policy No.: 7.18

STEPS is committed to preventing violence in the workplace and maintaining a safe work environment. Given the increasing violence in society, STEPS has adopted guidelines to deal with intimidation, harassment, or other threats of violence to self or others that may occur on its premises.

STEPS will not tolerate any conduct that threatens, intimidates, or coerces an employee, customer, or member of the public at any time. Additionally, firearms, weapons, and other dangerous or hazardous devices or substances are strictly prohibited from the premises of STEPS.

**Approved: Personnel Committee
Board of Directors**

Effective: 05/10/2009

STEPS, Inc.

Policy Title: COMPLAINT AND GRIEVANCE
PROCEDURE – Grievance Procedure

Policy No.: 8.01

INFORMAL

The management of STEPS encourages employees to discuss all complaints with your immediate supervisor in order to arrive at a solution on an informal basis. A specific complaint shall be reported to your immediate supervisor. Most complaints should be resolved at this level on an informal basis. Should the informal procedure prove unsatisfactory, the formal procedure should be utilized.

FORMAL

1. The employee shall complete a Written Complaint Form which may be obtained from the office during regular work hours. This form is to be signed and presented to your immediate supervisor within five (5) working days after your immediate supervisor has made his/her informal decision.
2. Your immediate supervisor shall document receipt of the form and present the employee with a copy of the documented Complaint Form.
3. Your immediate supervisor shall send the Complaint Form to the next level of supervision for review and decision. The decision will be discussed with the employee within five (5) working days after the supervisor's documented receipt of the form.
4. If the employee is not satisfied with the decision rendered in Step 3, the employee may request, in writing within five (5) working days that the Complaint Form be presented to the Chief Executive Officer for review and decision.
5. The Chief Executive Officer will respond to the employee in writing within five (5) working days following receipt of the written request and Complaint Form. The decision of the Chief Executive Officer has precedence over any prior decisions.
6. Should the employee still not be satisfied, he/she may request in writing to meet with the Executive Committee of the Board of Directors. This written request must be filed with the Chief Executive Officer within five (5) working days following the receipt of the Chief Executive Officer's written decision.

7. The Executive Committee of the Board of Directors shall call a special meeting to discuss this complaint. It is left to the discretion of the Board Chairman or Vice Chairman to designate the meeting date and time. The Committee shall review the case/complaint, perform any needed investigation and present the employee with a written decision within five (5) working days following their meeting. The decision of the Executive Committee is binding on both you and STEPS, Inc.

All steps must be documented in writing, with copies signed and dated by all parties. Each step must be accomplished with five (5) working days. If you fail to follow through within five (5) days, the grievance is considered resolved.

Employees filing formal grievances for suspected violations of federal, state and/or local laws or reporting a suspected case of non-compliance with STEPS, Inc. personnel policies shall not be retaliated against.

Retaliation in this case is taken to include but not limited to the following:

- Blatant retaliation by a supervisor which may include, but not limited to, the loss of a job, being constantly given an unpopular job assignment, being constantly given extra work or being branded as a "troublemaker," or creating barriers to services.
- Blatant retaliation by co-workers including being bullied, being picked on or being called names.
- Subtle retaliation including shunning by co-workers or failure to be considered for a new assignment.

Whistleblowers and others who make protected disclosures in good faith shall not be retaliated against in any manner, with the intent of adversely affecting the terms or conditions of employment or enrollment (including but not limited to, threats or physical harm, loss of job, adverse or punitive work assignments or impact on salary or wages) and shall be protected from such retaliation by STEPS. This protection from retaliation is not intended to prohibit supervisors or administrators from taking action, including disciplinary action, in the usual scope of their duties and based upon valid performance related factors. Whistleblowers and others who believe they are the subject of prohibited retaliation should promptly report such actions to the Human Resource Manager.

Assistance is available to any employee who needs help with filing a formal grievance. Contact the Human Resource Department for further details.

**Approved: Personnel Committee
Board of Directors**

**Effective: 10/16/2003
Revised: 03/20/2006
Revised: 03/01/2007
Revised: 02/28/2009**

STEPS, Inc.

Policy Title: TERMINATION OF EMPLOYMENT –
Notice of Resignation

Policy No.: 9.01

If you choose to resign your employment with STEPS, Inc., you are expected to give a minimum of ten (10) working days notice in writing. Copies of your written resignation notice should be given to your immediate supervisor and the Human Resource Manager.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: TERMINATION OF EMPLOYMENT –
Fringe Benefits

Policy No.: 9.02

The following benefits are granted to you upon termination:

1. Earned wages/salary, less payroll deductions
2. Personal maintenance of health, dental and life insurance (100% paid by employee), to the limits prescribed by law
3. Travel expenses incurred, but not paid
4. Tax Sheltered Annuity

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: TERMINATION OF EMPLOYMENT –
Exit Interview

Policy No.: 9.03

Your immediate supervisor will conduct an exit interview with you prior to your final day of employment. This interview is used to upgrade the quality of STEPS, Inc. programs and personnel policies and to facilitate your transition from STEPS, Inc.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: TERMINATION OF EMPLOYMENT –
Release of Job References

Policy No.: 9.04

All requests for information about current, retired or terminated employees should be forwarded to the Human Resource Manager or Chief Executive Officer, who may disclose to prospective employer's only the following information:

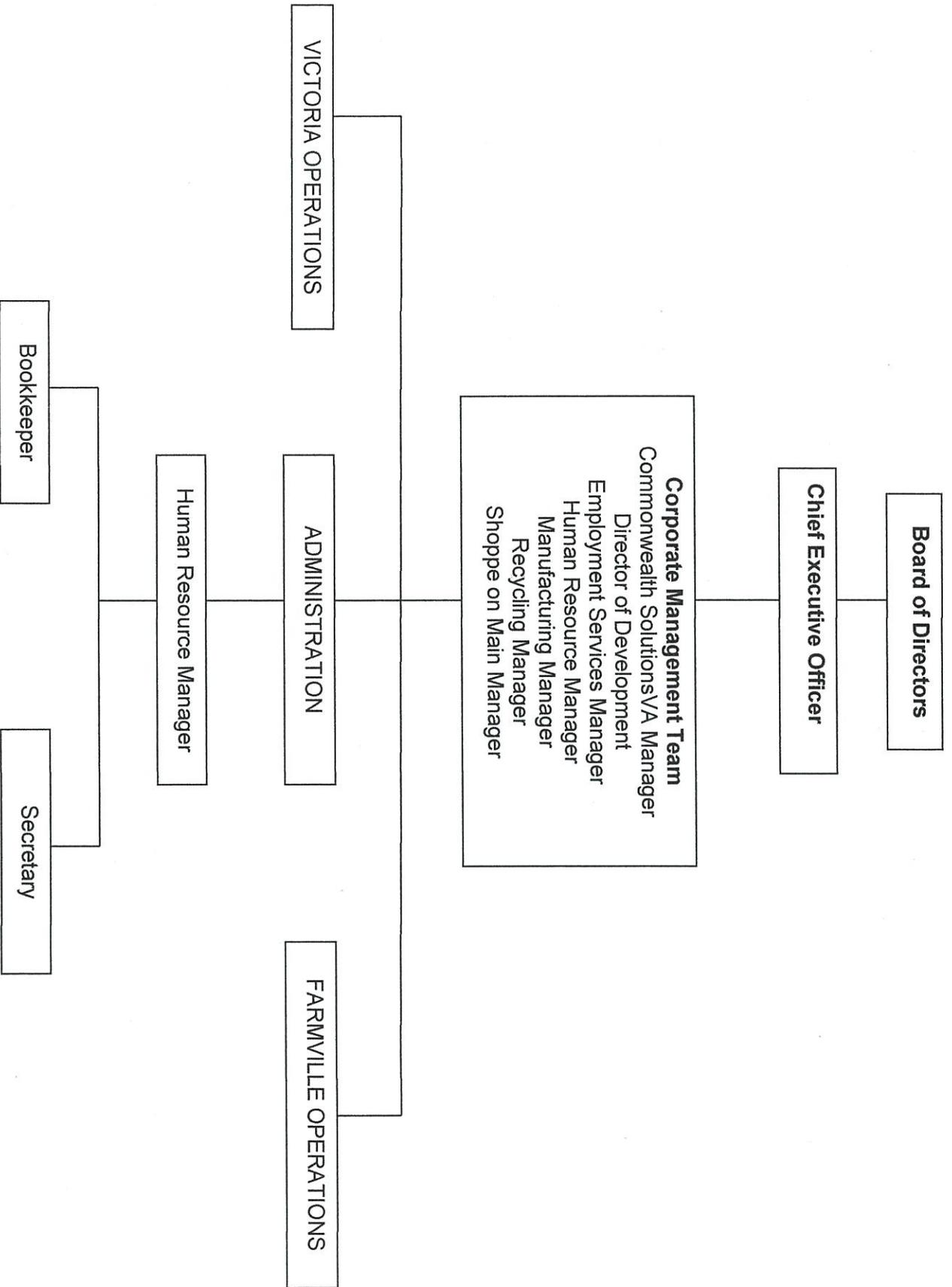
- Dates of employment
- Final title or position
- Job location
- Eligibility for rehire
- Final salary

With your written permission, the Human Resource Manager or your immediate supervisor may give an employment and salary history and respond to reference inquiries.

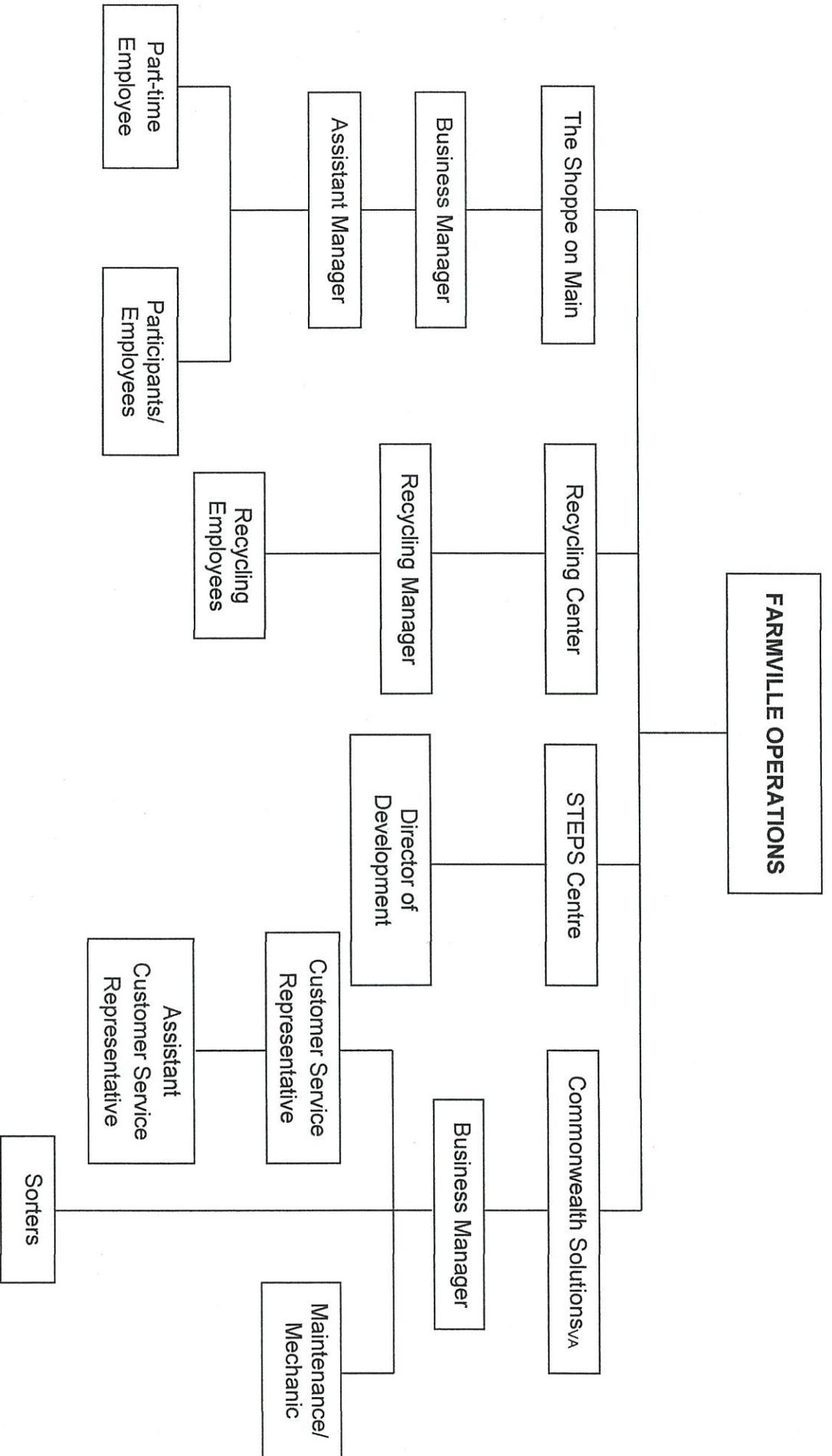
Information requested by a law enforcement agency will be provided if it is believed that an applicant, employee, or former employee has been engaged in illegal activities, if actions of the individual threaten physical injury to our property, other employees or participants served or to protect the legal interests of STEPS, Inc. In such cases, any release of information will be made only if approved by the Chief Executive Officer.

**Approved: Personnel Committee
Board of Directors**

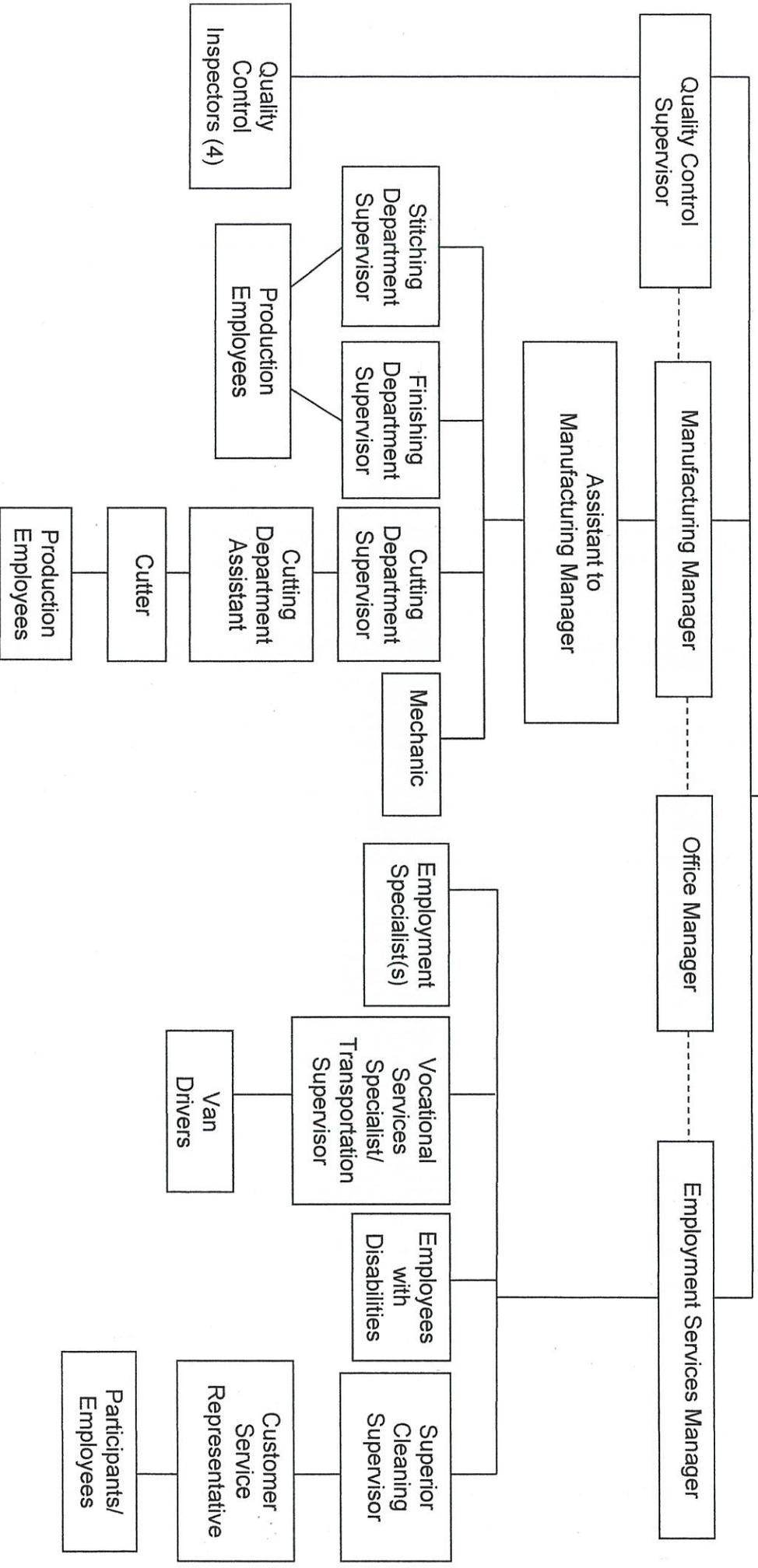
**Effective: 10/16/2003
Revised: 03/01/2007**



12/31/2012



VICTORIA OPERATIONS



STEPS, INC.
INFORMATION ON EMPLOYEE RIGHTS
YOU

1. Have the right to be treated with respect by your fellow co-workers.
2. Have the right to receive a paycheck every two weeks.
3. Have the right to expect that your personal information will be kept confidential.
4. Have the right to equal employment under the law regardless of race, color, sex, disability, religion or national origin.
5. Have the right to a safe and healthful workplace.
6. Have the right to request leave based on the criteria included in The Family and Medical Leave Act of 1993.
7. Have the right to be compensated according to federal minimum wage laws.
8. Have the right to apply for Workers Compensation benefits.
9. Have the right to grieve.

EMPLOYEE RIGHTS AND RESPONSIBILITIES UNDER THE FAMILY AND MEDICAL LEAVE ACT

Basic Leave Entitlement

FMLA requires covered employers to provide up to 12 weeks of unpaid, job-protected leave to eligible employees for the following reasons:

- For incapacity due to pregnancy, prenatal medical care or child birth;
- To care for the employee's child after birth, or placement for adoption or foster care;
- To care for the employee's spouse, son, daughter or parent, who has a serious health condition; or
- For a serious health condition that makes the employee unable to perform the employee's job.

Military Family Leave Entitlements

Eligible employees whose spouse, son, daughter or parent is on covered active duty or call to covered active duty status may use their 12-week leave entitlement to address certain qualifying exigencies. Qualifying exigencies may include attending certain military events, arranging for alternative childcare, addressing certain financial and legal arrangement, attending certain counseling sessions, and attending post-deployment reintegration briefings.

FMLA also includes a special leave entitlement that permits eligible employees to take up to 26 weeks of leave to care for a covered service member during a single 12-month period. A covered service member is: (1) a current member of the Armed Forces, including a member of the National Guard or Reserves, who is undergoing medical treatment, recuperation or therapy, is otherwise in outpatient status, or is otherwise on the temporary disability retired list, for a serious injury or illness*; or (2) a veteran who was discharged or released under conditions other than dishonorable at any time during the five-year period prior to the first date the eligible employee takes FMLA leave to care for the covered veteran, and who is undergoing medical treatment, recuperation, or therapy for a serious injury or illness.*

***The FMLA definitions of "serious injury or illness" for current service members and veterans are distinct from the FMLA definition of "serious health condition."**

Benefits and Protections

During FMLA leave, the employer must maintain the employee's health coverage under any "group health plan" on the same terms as if the employee had continued to work. Upon return from FMLA leave, most employees must be restored to their original or equivalent positions with equivalent pay, benefits, and other employment terms.

Use of FMLA leave cannot result in the loss of any employment benefit that accrued prior to the start of an employee's leave.

Eligibility Requirements

Employees are eligible if they have worked for a covered employer for at least 12 months, have 1,250 hours of service in the previous 12 months*, and if at least 50 employees are employed by the employer within 75 miles.

***Special hours of service eligibility requirements apply to airline flight crew employees.**

Definition of Serious Health Condition

A serious health condition is an illness, injury, impairment, or physical or mental condition that involves either an overnight stay in a medical care facility, or continuing treatment by a health care provider for a condition that either prevents the employee from performing the functions of the employee's job, or prevents the qualified family member from participating in school or other daily activities.

Subject to certain conditions, the continuing treatment requirement may be met by a period of incapacity of more than 3 consecutive calendar days combined with at least two visits to a health care provider or one visit and a regimen of continuing treatment, or incapacity due to pregnancy, or incapacity due to a chronic condition. Other conditions may meet the definition of continuing treatment.

Use of Leave

An employee does not need to use this leave entitlement in one block. Leave can be taken intermittently or on a reduced leave schedule when medically necessary. Employees must make reasonable efforts to schedule leave for planned medical treatment so as not to unduly disrupt the employer's operations. Leave due to qualifying exigencies may also be taken on an intermittent basis.

Substitution of Paid Leave for Unpaid Leave

Employees may choose or employers may require use of accrued paid leave while taking FMLA leave. In order to use paid leave for FMLA leave, employees must comply with the employer's normal paid leave policies.

Employee Responsibilities

Employees must provide 30 days advance notice of the need to take FMLA leave when the need is foreseeable. When 30 days notice is not possible, the employee must provide notice as soon as practicable and generally must comply with an employer's normal call-in procedures.

Employees must provide sufficient information for the employer to determine if the leave may qualify for FMLA protection and the anticipated timing and duration of the leave. Sufficient information may include that the employee is unable to perform job functions, the family member is unable to perform daily activities, the need for hospitalization or continuing treatment by a health care provider, or circumstances supporting the need for military family leave. Employees also must inform the employer if the requested leave is for a reason for which FMLA leave was previously taken or certified. Employees also may be required to provide a certification and periodic recertification supporting the need for leave.

Employer Responsibilities

Covered employers must inform employees requesting leave whether they are eligible under FMLA. If they are, the notice must specify any additional information required as well as the employees' rights and responsibilities. If they are not eligible, the employer must provide a reason for the ineligibility.

Covered employers must inform employees if leave will be designated as FMLA protected and the amount of leave counted against the employee's leave entitlement. If the employer determines that the leave is not FMLA protected, the employer must notify the employee.

Unlawful Acts by Employers

FMLA makes it unlawful to any employer to:

- Interfere with, restrain, or deny the exercise of any right provided under FMLA; and
- Discharge or discriminate against any person for opposing any practice made unlawful by FMLA or for involvement in any proceeding under or relating to FMLA.

Enforcement

An employee may file a complaint with the U. S. Department of Labor or may bring a private lawsuit against an employer.

FMLA does not affect any Federal or State law prohibiting discrimination, or supersede any State or local law or collective bargaining agreement which provides greater family or medical leave rights.

HIPAA Notice of Privacy Practices

STEPS, Inc.
225 Industrial Park Road
Farmville, VA 23901
434-315-5909

THIS NOTICE DESCRIBES HOW MEDICAL INFORMATION ABOUT YOU MAY BE USED AND DISCLOSED AND HOW YOU CAN GET ACCESS TO THIS INFORMATION. PLEASE REVIEW IT CAREFULLY

This "Notice of Privacy Practices" describes how STEPS, Inc. may use and disclose your protected health information (PHI) to carry out treatment, payment or healthcare operations (TPO) and for other purposes that are permitted or required by law. It also describes your rights to access and control your protected health information. "Protected health information" is information about you, including demographic information, that may identify you and that relates to your past, present, or future physical or mental health or condition and related services.

Uses and Disclosures of Protected Health Information

Your protected health information may be used and disclosed by STEPS, Inc. and others outside of our agency that are involved in the provision of treatment and training services to you, to pay for the cost of your services, to support the operation of STEPS' programs, and any other use required by law.

Treatment: We will use and disclose your protected health information to provide, coordinate, or manage your health care or any related services. This includes the coordination or management of your health care with a third party. For example, we would disclose your protected health information, as necessary to a physician, hospital emergency room staff, or rescue squad personnel, that provides care to you to ensure that they have the needed information to diagnose or treat you.

Payment: Your protected health information will be used as needed, to obtain payment for the services you receive from our agency.

Program Operations: We may use or disclose, as needed, your protected health information in order to support the business activities of our program. These activities include, but are not limited to, quality assessment activities, employee review activities, licensing, accreditation, and conducting or arranging for other business activities. We may use your protected health information in the following situations without your authorization in situations to include the following: as required by law; Public Health issues; Communicable Diseases; Abuse or Neglect; Legal Proceedings; Law Enforcement; Criminal Activity; Military Activity and National Security; and Workers' Compensation. Under the law, we must make disclosures to you when required by the secretary of the Department of Health and Human Services to investigate or determine our compliance with the requirements of Section 164.500.

Other Permitted and Required Uses and Disclosures: Will be made only with your consent, authorization or opportunity to object unless required by law.

You may revoke this authorization. at any time, in writing, except to the extent that our program has taken action in reliance on the use or disclosure indicated in the authorization.

Your Rights

Your rights, with respect to your protected health information are as follows:

You have the right to inspect and copy your protected health information. Under federal law, however, you may not inspect or copy the following records: psychotherapy notes; information compiled in reasonable anticipation of, or use in, a civil, criminal, or administrative action or proceeding, and protected health information that is subject to law that prohibits access to protected health information.

You have the right to request a restriction of your protected health information. This means you may ask us not to use or disclose any part of your protected health information for the purposes of treatment, payment, or program operations. You may also request that any part of your protected health information not be disclosed to family members or friends who may be involved in your services or for notification purposes as described in this Notice of Privacy Practices. Your request must state the specific restriction requested and to whom you want the restriction to apply.

STEPS, Inc. is not required to agree to a restriction that you request. If we believe it is in your best interest to permit use and disclosure of your protected health information, your protected health information will not be restricted. You then have the right to use another service provider.

You have the right to request to receive confidential communications from us by alternative means or at an alternative location. You have the right to receive a paper copy of this notice from us, upon request, even if you have agreed to accept this notice alternately, i.e. verbally or electronically.

You may have the right to have our agency amend your protected health information. If we deny your request for amendment, you have the right to file a statement of disagreement with us and we may prepare a rebuttal to your statement and will provide you with a copy of any such rebuttal.

You have the right to receive an accounting of certain disclosures we have made, if any, of your protected health information.

Complaints

You may complain to us or to the Secretary of Health and Human Services if you believe your privacy rights have been violated by us. You may file a complaint with us by notifying our privacy officers, Cynthia Saunders or Ryan Follett, of your complaint. We will not retaliate against you for filing a complaint.

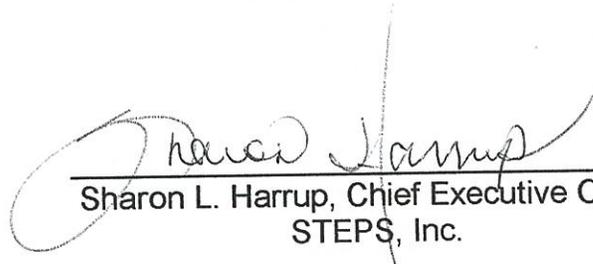
STEPS, Inc. reserves the right to change the terms of this notice and will inform you by mail of any changes. You then have the right to object or withdraw as provided in this notice.

QUALITY POLICY STATEMENT

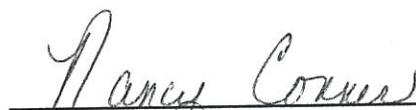
STEPS, Inc. mandates that meeting customer's specifications and expectations regarding quality is foremost in the operation of its entire organization in order to achieve its goal of employing and training people with disabilities while producing quality, marketable products. This Quality Assurance Manual has been developed to ensure that the company's policies under this mandate are available and understood by everyone.

All employees are required to follow this manual and supporting documentation as applicable to the requirements of their position. No deviation from the procedures enclosed is allowed without the direct permission of the Chief Executive Officer.

The Quality Control Supervisor or designee is responsible for the proper and timely implementation of the quality system, and has been given the proper authority to ensure its continued success and effectiveness.



Sharon L. Harrup, Chief Executive Officer
STEPS, Inc.



Nancy Corner, Management Representative
STEPS, Inc.

STEPS, Inc.

HEALTH AND SAFETY
HANDBOOK

Farmville, VA

February 2004

HEALTH AND SAFETY HANDBOOK

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Introduction

STEPS, Inc. is committed to maintaining a safe environment for all staff, production workers, participants and others while using the STEPS facilities and equipment or while involved in any STEPS sponsored activity or program. But safety, as the old saying goes, is everybody's business.

These safety policies were developed to help us remember that maintaining a safe environment is an ongoing process. First, we have to prevent unsafe conditions and incidents. Then we must train ourselves to deal with emergencies and unsafe conditions if they occur. And finally, we look for unsafe conditions and incidents so that we can do something to prevent these conditions and/or incidents from happening again.

This handbook is for your use. It applies to all staff, production workers, participants, volunteers and temporary workers. If you have suggestions for changes or improvements in these policies, contact a member of the STEPS Safety Committee.

The STEPS Safety Committee and Its Responsibilities

This committee is made up of staff, production workers and participants from STEPS facilities. This committee meets four (4) to twelve (12) times a year to talk about health and safety problems and to come up with ways to solve problems.

The STEPS Safety Committee:

1. Schedules outside inspections of all STEPS facilities
2. Conducts self-inspections of all STEPS facilities
3. Sets up and carries out plans to deal with emergencies
4. Conducts fire drills, natural disaster drills, chemical spill drills, bomb threat tests
5. Provides training for staff, production workers, participants, volunteers and temporary workers
6. Reviews and makes changes to this Handbook
7. Follows through to correct health and safety problems
8. Publishes and posts reports about what the Safety Committee does

Your Responsibility When You Find Something Unsafe at STEPS, Inc.

If you see something unhealthy or unsafe at STEPS, like water on the floor, please wipe it up. Never walk past an unsafe condition; correct it on the spot, if you can.

If you can't take care of it yourself, tell your immediate supervisor or a member of the Safety Committee. (See names posted on the bulletin board at each facility).

If someone is sick or hurt, tell your immediate supervisor or someone trained in First Aid or CPR. (See names posted on the bulletin board at each facility).

Once you've taken care of the safety problem or have told someone about it, make sure it gets reported to the Chairman of the Safety Committee and the Human Resource Manager.

What to Do in Case of an Emergency

For some types of emergencies, like fires and bomb threats, it is your responsibility to get out of the building as fast and as safely as possible when you hear or see the alarm. If you see a fire in the building, tell your immediate supervisor right away. If you are in a room that has a door, close the door before you leave. Look for the red EXIT sign and go to the nearest door and calmly move out of the building. Do not return to the building until you have been given the "all clear" sign.

In case of a tornado, it is your responsibility to stay in the building in an area that is safe from the storm when you hear or see the alarm. Move calmly and quickly from your workstation to the tornado shelter in your building. If you don't know where to go, ask your supervisor.

Throughout the year, STEPS, Inc. gives you an opportunity to practice these drills.

First Aid Supplies

First aid supplies are located in all STEPS facilities. Look for a cross on the wall or cabinets to mark where supplies are located.

Fire Extinguishers

Fire extinguishers are located in all STEPS facilities, vans and cars. Know where the closest fire extinguisher is to your workstation. Keep the space in front of fire extinguishers clear so that you can get to them if you need to. If you need to use a fire extinguisher, follow the instructions on the front of the extinguisher or ask your supervisor for assistance.

Chemicals

Some jobs require that you use chemicals that could hurt you if they're not used right. These could be things like cleaning products, gasoline, etc. If you are working with any chemicals, ask your immediate supervisor about preventing problems or look for the MSDS sheets that are located at each STEPS facility. These sheets will tell you how to use the chemical safely and what to do if the chemical is used incorrectly.

Personal Protective Equipment

Personal protective equipment such as rubber gloves, facemasks, goggles and other items are located in all STEPS facilities. These items are to be used when cleaning up, giving CPR or rendering first aid. Ask you immediate supervisor where to find these things and how to use them if needed.

Reporting Accidents

If you see any accident or see someone hurt, report it to your immediate supervisor right away. If you witnessed the accident, you may be asked to complete a Witness' Report of Accident Form.

Trash and Recycling

Each STEPS facility has two containers located in the lunch room. One container is for trash and the second container is for aluminum (soda) cans. Make sure that you throw discarded items in the proper containers.

Snow and Ice Removal

STEPS, Inc. tries to keep snow and ice off of sidewalks and parking lots. If you see a slippery spot, tell your immediate supervisor. In general, be extra careful when moving around outside in snowy/icy weather.

Repairs

If you see anything that needs repair, such as machinery, tools, the building, etc., tell your immediate supervisor right away.

If a piece of machinery has a lock or tag on it, the equipment has been locked out or tagged out. Do not remove the lock or tag under any circumstances. If you have questions about the condition of the equipment ask your immediate supervisor.

Your Responsibility for Health and Safety

Any employee who carelessly causes an injury or accident to him/herself or others may be disciplined. This could include a written notice in your personnel file, suspension from work or even termination.

General Safety Rules

- Before starting a job or using a machine, be sure that you understand how it works. If you don't know, ask your immediate supervisor for instructions and then follow the instructions carefully.
- Do not operate any machine or equipment that has not been assigned to you by your immediate supervisor.
- Do not remove, change or adjust any guard or safety device on any machine. Report any guards or safety devices that are not on machines to your immediate supervisor.
- Do not use, change or repair any machine or other equipment that is not in safe working condition or that has been locked/tagged out. Let your immediate supervisor know right away if equipment is out of order or doesn't work right.
- Report any unsafe conditions to your supervisor immediately.
- Report all injuries, suspected injuries, vehicle accidents, fires, chemical spills and property damage to your supervisor immediately.
- Do not put your fingers, hands or feet into dangerous areas when operating any machine. Use tools and machines only the way you were taught to use them.
- Use protective equipment, like goggles, hard hats, facemasks, earplugs, protective clothes, breathing devices, on all jobs and work areas the Safety Committee has indicated can be dangerous.
- Wear clothes that are right for the job that you are doing. Never wear loose clothes or shoes, rings, neckties, wristwatches, shorts, open-toed shoes or other clothes that could be dangerous on your particular job.
- Do not use compressed air for dusting clothes, hair, face or hands.
- When you lift heavy things or persons, bend your knees, keep your back straight, and lift with your legs. Ask for help when the load is too heavy.
- Keep all aisles and working areas neat, clean and easy to get to.
- Learn about the chemicals that you may work with; some may be dangerous. Store, use and throw away all chemicals that burn and other dangerous materials in special containers. Keep things that burn away from furnaces and heaters.

- Do not ride on any hand trucks.
- Do not operate mobile equipment (i.e., forklifts, etc.) without training. Only the driver should ride on a forklift.
- Wear seat belts while operating all vehicles equipped with seat belts.
- Do not distract the attention of others. Scuffling, horseplay and practical jokes are unsafe.
- Follow STEPS smoking policy and smoke in designated smoking areas.
- Tell your immediate supervisor if you are not physically able to work due to sickness.
- After using tools, clean them and place them back in their proper storage place.
- Keep your medication in a safe place and take only as prescribed. Do not give any medication to others.
- Do not leave cords, hoses, ropes, etc. on the floor or sidewalk where someone might trip over them.
- Do not bring beer, alcohol or illegal drugs to work with you or use them on the job.
- Do not bring knives, guns, fireworks or other weapons to work with you.
- Do not drive vehicles if you do not have a license to drive them.
- Keep your work area clean and safe.
- Wash your hands after using the bathroom and before and after eating.

STEPS, Inc.

PARTICIPANT
PERSONNEL POLICIES

Farmville, VA

STEPS, Inc.
PARTICIPANT PERSONNEL POLICIES

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STEPS, Inc.

Policy Title: INTRODUCTION - Welcome

Policy No.: 1.01

STEPS, Inc. welcomes you as part of its team of competent, dedicated employees working together to achieve our Organization's mission: "To provide employment opportunities and related services to individuals with diverse abilities in our communities." We know that you will find your role both rewarding and challenging.

These policies have been established so that all employees will understand their mutual rights and responsibilities in the achievement of our Organizational goals.

Welcome to STEPS, Inc.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: INTRODUCTION - History

Policy No.: 1.02

The "Tri-County Sheltered Workshop" was founded in 1976 in Farmville as a satellite program of Lynchburg Sheltered Industries. In 1982, with the cooperation of Lynchburg Sheltered Industries, the Farmville workshop formed its own Board of Directors and applied for its own private, not-for-profit incorporated status. In doing so, the Board of Directors changed the name to "The Sheltered Workshop in Farmville, Inc." In August 1990, the management of the workshop changed along with the name of the organization. The name was changed to "Southside Training, Employment and Placement Services, Inc." but utilizes the trade name "STEPS, Inc." The name change reflected the new purpose of the facility: to provide job training and employment opportunities. We currently provide services in eleven (11) jurisdictions: Amelia, Appomattox, Brunswick, Buckingham, Charlotte, Cumberland, Halifax, Lunenburg, Mecklenburg, Nottoway and Prince Edward. We also provide job training and placement services to welfare recipients through our Community Employment Division. Employment outcomes can range from unsubsidized competitive employment in the individual's home community or employment within our organization.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: INTRODUCTION –
Chief Executive Officer's Letter

Policy No.: 1.03

Every position within the STEPS, Inc. structure is an integral part of this organization. Regardless of your job title, you are in a position to contribute toward our mission. In other words, you are an important and valued employee. I sincerely hope that your dedicated efforts will bring you personal and professional satisfaction and the rewarding feeling that you are a valued member of our team.

The purpose of these personnel policies is to provide a guide that, if followed, works toward the mutual benefit of everyone involved with STEPS. As with teams, certain guidelines must be established so that everyone works toward a common goal. The policies and procedures contained in this manual will provide the information you need to become a contributing member of our team.

The policies in this manual are very important to you and to our organization. It establishes your rights and responsibilities as an employee and the rights and responsibilities of the organization as your employer. I encourage you to take the time to understand all of the information contained in the following pages. If you have any questions, concerns, or suggestions, please let me know or contact STEPS' Human Resource Manager.

This manual will be revised as policies and procedures evolve. It is important that you keep this manual for reference. As revisions are made, you will be provided with replacement pages. Replacement copies of this manual are available by contacting the Human Resource Manager.

Welcome to the STEPS team!

Sharon L. Harrup, MS
Chief Executive Officer

**Approved: Personnel Committee
Board of Directors**

**Effective: 10/16/2003
Revised: 03/01/2007**

STEPS, Inc.

Policy Title: INTRODUCTION – Authority and Distribution **Policy No.:** 1.04

The Board of Directors of STEPS, Inc., upon recommendation of its Personnel Committee, has the authority to revise the policies contained in this manual. At least annually, the Personnel Committee reviews this manual to determine if changes are indicated.

Each employee receives a copy of this manual during orientation. Employees are encouraged to recommend changes to the Chief Executive Officer or the Human Resource Manager at any time.

**Approved: Personnel Committee
Board of Directors**

**Effective: 10/16/2003
Revised: 03/01/2007**

STEPS, Inc.

Policy Title: INTRODUCTION – At Will Employment

Policy No.: 1.05

Employment at STEPS, Inc. is at will and of indefinite duration. Either you as an employee or the organization may terminate employment at any time and for any reason. No agreement to the contrary is recognized unless such an agreement is in writing and signed by the Chief Executive Officer. These personnel policies are not all inclusive and no employment contract is expressed or implied.

**Approved: Personnel Committee
Board of Directors**

**Effective: 10/16/2003
Revised: 03/01/2007**

STEPS, Inc.

Policy Title: INTRODUCTION – Chain of Command

Policy No.: 1.06

The Board of Directors of STEPS, Inc. is responsible for setting policies for STEPS production workers. The Board employs the Chief Executive Officer, to whom it delegates responsibility for the day to day administration of the organization. The Chief Executive Officer manages the staff who in turn manages production workers, using policies approved by the Board of Directors.

STEPS production workers are accountable to their immediate supervisors.

**Approved: Personnel Committee
Board of Directors**

**Effective: 10/16/2003
Revised: 03/01/2007**

STEPS, Inc.

Policy Title: INTRODUCTION – Open Door Policy

Policy No.: 1.07

Following the appropriate channels of communication, all employees are encouraged to provide input and suggestions concerning the overall operation and programs of STEPS, Inc. You are urged to initially bring your comments to your immediate supervisor. In those cases where this may be inappropriate, you may approach your department head or the Chief Executive Officer.

STEPS operates in an “open door” manner. All input from employees is considered and should be presented without fear of personal recrimination.

**Approved: Personnel Committee
Board of Directors**

**Effective: 10/16/2003
Revised: 03/01/2007**

STEPS, Inc.

Policy Title: INTRODUCTION – Code of Ethics

Policy No.: 1.08

It is the policy of STEPS, Inc. to promote good values and positive, professional relations among employees, participants, Board of Directors and all other individuals in contact with STEPS. Towards that end, the following code of ethics has been established with which all employees are expected to comply.

Relations with other employees:

- Respect the rights and views of fellow employees and treat them with fairness, courtesy and good faith.
- Respect the differences of all employees.
- Develop working relationships that respect individual talents and capabilities.
- Participate in dialogue with all employees, which include listening, talking, clarifying, and writing.
- Share expertise and information with other employees who are seeking assistance.
- Be objective, fair, and responsible when supervising and evaluating another employee.
- Maintain confidentiality.
- Be responsible and report to your supervisor if another employee has violated ethical standards.
- Avoid personal relations with participants.

Relations with the Board of Directors:

- Respect the position and role of each Board member.
- Avoid relationships or commitments that conflict with the interest of the Board or agency.

Relations with other businesses/contractual relationships/outside contacts/ financial practices:

- Maintain and promote a professional attitude and positive image while representing STEPS, Inc.
- When engaged in a supplier relationship, seek the best and most cost effective products and services.
- Avoid any personal gain or benefit from outside associations, which arise because of employment with STEPS, Inc.

Marketing Activities:

- Adhere to and work towards the mission of STEPS, Inc.
- Participate in the overall agency development and management through departmental meetings, planning sessions and any other opportunities presented.

Relations with Participants:

- Provide services without regard to age, race, creed, color, sex, disability, national origin, ancestry, sexual orientation, or any other basis as prohibited by State or Federal law.
- Treat all participants with dignity, value, and respect.
- Display a genuine interest in all participants and be committed to providing services in the participant's best interest.
- Provide efficient, pertinent, and effective services for participants and their caregivers.
- Respect the privacy of participants and maintain the confidentiality of participant records.
- Avoid relationships or commitments that conflict with the interest of participants.
- Avoid personal relations with participants.
- Respect the relationships between participants and other organizations in the initiation of services, minimizing the risk of confusion and conflict.
- Respect the diverse needs of participants and act in a manner that upholds their human and civil rights.
- Promote independence and productivity.

Other:

- Evaluate one's own strengths, limitations, biases and effectiveness.
- Strive to become and remain proficient in the skills needed for one's own position.
- Accurately represent one's own education, training, experience and competencies.
- Avoid internal/external relations that could impair judgment.
- Avoid engaging in or condoning any form of harassment or discrimination.
- Understand that all information produced at STEPS, Inc. for its programs, education and public relations remains the property of STEPS.
- Be honest and open, maintaining integrity and sincerity.
- Maintain respect for agency policies, procedures, and decisions.
- Use the resources of the organization only for the purposes for which they were intended.
- Act in accordance to high standards of professional integrity, adhering to all applicable laws and regulations.
- Correct, whenever necessary, false, misleading, or inaccurate information and presentations made by others concerning STEPS.
- Always approach any work-related problem in a problem solving manner, rather than complaining about the presumed reasons for the problem.
- During employment and upon employment termination, respect the integrity and reputation of STEPS through maintaining confidentiality of sensitive information including employee records.
- Understand that a violation of the Code of Ethics may be grounds for dismissal.

- Whistleblowers and others who make protected disclosures in good faith shall not be retaliated against in any manner, with the intent of adversely affecting the terms or conditions of employment or enrollment (including but not limited to, threats or physical harm, loss of job, adverse or punitive work assignments or impact on salary or wages) and shall be protected from such retaliation by STEPS. This protection from retaliation is not intended to prohibit supervisors or administrators from taking action, including disciplinary action, in the usual scope of their duties and based upon valid performance related factors. Whistleblowers and others who believe they are the subject of prohibited retaliation should promptly report such actions to the Human Resource Manager.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

Revised: 02/28/2009

Revised: 02/29/2012

STEPS, Inc.

Policy Title: INTRODUCTION –
Organization Strategic Plan

Policy No.: 1.09

STEPS, Inc. has an organization Strategic Plan which outlines our mission, values, strengths and weaknesses, opportunities and threats, and spells out our five year plan for the accomplishment of our mission. This long range plan identifies goals and objectives for the next five years and an action plan for the current year. The results of the actions specified in the plan are reviewed annually by the administrative staff and Board of Directors to determine progress. You are urged to review the current Strategic Plan for STEPS, Inc. to identify how your role contributes to the satisfaction of our mission.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: INTRODUCTION – Organization Manuals

Policy No.: 1.10

STEPS, Inc. publishes the following manuals:

1. Personnel Policies – Staff
2. Personnel Policies – Production Worker
3. Personnel Policies – Participant
4. Board Orientation Manual
5. Administrative Policies and Procedures Manual
6. Health and Safety Handbook
7. Safety Committee Manual
8. Safety Policies and Procedures Manual
9. Rehabilitation Policies and Procedures Manual

You are expected to review these documents and use them as reference when policy and procedural questions arise. As always, your suggestions for changes, additions, and/or deletions are welcome.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2005

STEPS, Inc.

Policy Title: INTRODUCTION –

Policy No.: 1.11

Employment Services Department Staff Qualifications

1. Chief Executive Officer – Master of Science Community Counseling, Longwood University with over 28 years experience in the Human Services field
2. Employment Services Manager – Bachelor of Science Human Services Counseling, Old Dominion University with 23 years experience in the Human Services field
3. Support Services Assistant – Associate of Applied Science, Southside Community College with 5 years experience in the Human Services field
4. Vocational Services Specialist – Certified Employment Services Provider, University of Maryland with 6 years experience in the Human Services field

**Approved: Personnel Committee
Board of Directors**

Effective: 05/17/2006

Revised: 03/01/2007

Revised: 12/31/2010

STEPS, Inc.

Policy Title: HIRING AND ORIENTATION –
Affirmative Action/Civil Rights

Policy No.: 2.01

STEPS, Inc. provides equal employment opportunity to all persons without regard to age, race, creed, color, handicap, marital status, sex, national origin, ancestry, sexual orientation, membership in the national guard, state defense force or any other reserve component of the military services of the United States or this state and promotes the full realization of this policy through a positive, continuing program of affirmative action. STEPS, Inc. is committed to equal opportunity for all applicants and staff members in personnel matters, including recruitment and hiring, benefits, staff development, promotion and transfer, compensation, and voluntary or involuntary termination. The organization strives for an employee base that reflects diversity.

STEPS, Inc. will attempt to achieve and maintain a diverse work force. These steps include, but are not limited to, the following:

1. Pursuing our affirmative action program along with regular review by the Board of Directors.
2. Ensuring that STEPS, Inc. policy regarding equal employment opportunity is communicated to all employees.
3. Ensuring that hiring, promotion, and wage/salary administration practices are fair and consistent with the policies of the corporation.
4. Reporting to the Board of Directors on all activities and efforts to implement the corporation's policy of equal employment opportunities.
5. To the extent that our employee base is not diverse, we will make special recruitment efforts as part of this plan.

Each employee having supervisory responsibility over other employees must provide equal opportunity for all employees with regard to work assignments, staff development, promotion and transfer, and other conditions and privileges of employment and must work to assure a continuation of this policy of affirmative action.

Contact the Human Resource Manager for a copy of our Civil Rights Compliance Action Plan for information on how to file a complaint.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: HIRING AND ORIENTATION –
Equal Employment Opportunity

Policy No.: 2.02

STEPS, Inc. believes that equal opportunity for all employees is important for the continuing success of our organization. In accordance with state and federal laws, STEPS, Inc. will not discriminate against an employee or applicant for employment because of age, race, creed, color, handicap, marital status, sex, national origin, ancestry, sexual orientation, membership in the national guard, state defense force or any other reserve component of the military services of the United States or this state in the hiring, promotion, demotion, or transfer, staff development, benefits, voluntary or involuntary terminations, recommendations, rates of pay, or other forms of compensation. Opportunity is provided to all employees based on the qualifications and job requirements.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: HIRING AND ORIENTATION –
Americans with Disabilities Act

Policy No.: 2.03

STEPS, Inc. encourages applications from persons with disabilities and does not discriminate against them in any way. STEPS, Inc. complies with the Americans with Disabilities Act (ADA) of 1990, by:

- Considering all applicants with disabilities for employment using the same criteria as are used for the employment of persons who do not have disabilities.
- Considering employees with disabilities for promotion or transfer using the same criteria as are used for the promotion or transfer of employees who do not have disabilities.
- Taking steps to make our physical facilities barrier-free and accessible according to appropriate federal and state statutes.
- Making scheduling and other adjustments to reasonably accommodate employees with disabilities.
- Providing training to employees in the provisions of the ADA and their role in adhering to its provisions.
- Posting notices explaining the provisions of the ADA and employees rights under this law.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

Revised: 01/15/2008

STEPS, Inc.

Policy Title: HIRING AND ORIENTATION –
Hiring Practices

Policy No.: 2.04

It is the policy of STEPS, Inc. to hire the best matched person for a given position and to engage in hiring practices which are fair to both applicants and the organization. STEPS, Inc. posts all vacant staff positions internally to give current staff members, production workers, and participants the opportunity to apply and compete for vacant positions. The organization reserves the right to recruit for all vacant staff and production worker positions outside of STEPS, Inc. in addition to internal posting.

Only those positions which are contained in the organization's budget approved by the Board of Directors may be filled. The Chief Executive Officer and other supervisory staff are authorized to fill vacant positions following these policies and the position's job description in effect at the time of hire.

**Approved: Personnel Committee
Board of Directors**

**Effective: 10/16/2003
Revised: 03/01/2007**

STEPS, Inc.

Policy Title: HIRING AND ORIENTATION –
Definitions of Employment Status

Policy No.: 2.05

1. **Full Time** – is scheduled to work 40 hours per week on a consistent basis.
2. **Part Time** – is scheduled to work less than 40 hours per week on a consistent basis.
3. **Limited Term** – is scheduled to work, on a consistent full or part time basis, for a specified period of time.
4. **Consultant/Contract** – is scheduled to perform a short term, time limited, specific function.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: HIRING AND ORIENTATION –
New Employee Orientation

Policy No.: 2.06

In order to make you feel comfortable in your new position and to help you get to know us, STEPS, Inc. has set up an employee orientation program. This program is designed to give you sufficient information so that you may quickly become familiar with the overall organization's operations as well as the policies and benefits of employment.

Your immediate supervisor will coordinate and conduct your orientation during the first week of your employment. You will have the opportunity to complete various authorizations, receive information regarding various policies, receive the employee handbook and meet personnel with whom you will be working.

In addition, follow-up conferences between you and your immediate supervisor will be held during your introductory period to review various policies and to determine if you are experiencing any problems or difficulties adjusting to your job.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: HIRING AND ORIENTATION –
Human Rights

Policy No.: 2.07

1. You keep all rights when you enter this program. You can receive help with them if you feel they are not being respected.
2. You will not be discriminated against because of age, ethnicity, race, religion, sex, disability or ability to pay.
3. You have a voice in service planning. This will include decisions about concurrent services; composition of your service team, etc.
4. You help make decisions with staff about your program. If you are unable to do so, someone will be appointed by a Judge or the program will do this for you. (If you disagree you can object).
5. You will not receive any treatment unless you or someone on your behalf gives permission after hearing the risks and benefits. It is your right to choose to participate in any portion of or all services offered to you based on the information you are provided.
6. You will have as much freedom as possible. If your freedom is restricted, you will have a part in the decision and will know how to regain that freedom. Freedom will only be restricted for the safety or treatment needs of other participants.
7. You will have information about you kept private. It will not be shared with anyone without your permission, unless there is an emergency, or the law or regulations require or allow it to be shared.
8. You can see and get copies of your records. If you are not allowed to see part of your record, you can have it sent to someone else (lawyer, physician, psychologist). Copies will cost \$1.00 per page and must be paid in advance.

*If there are any mistakes in your record you can have it corrected.
9. You will be paid fairly if you do work for which you should be paid. Personal housekeeping and work that helps you improve, but does not produce money for the program does not apply.
10. You can communicate confidentially with any person by mail or phone.

11. You will be free from seclusion, restraint and intrusive aversive therapy as well as humiliation; neglect, and any form of abuse (i.e. financial, physical, emotional, etc.).
12. You can complain without fear, if you feel your rights have been or will be violated. To do so: Talk with STEPS' Support Services Assistant, Vocational Services Specialist, Employment Services Manager or the Chief Executive Officer. WE WANT TO HELP WITH YOUR CONCERN.

IF YOU FEEL YOU NEED OUTSIDE ASSISTANCE, CALL YOUR REGIONAL ADVOCATE at (804) 786-3988. This person will help you work with staff, or if necessary, the Local Human Rights Committee will look into your complaint and try to get it settled.

**Approved: Personnel Committee
Board of Directors**

**Effective: 10/16/2003
Revised: 05/08/2007
Revised: 01/15/2008**

STEPS, Inc.

Policy Title: INTAKE AND ORIENTATION – Case Files **Policy No.:** 3.01

A confidential case file is maintained for each participant. This file, which is the property of STEPS, Inc., includes service plans, progress reports, correspondence and internal memos, attendance information, authorizations for payroll deductions, wage/salary changes, authorizations for benefits, and documentation required by state or other regulatory agencies.

Access to your case file is limited to the Chief Executive Officer, Management Team Members and your immediate supervisor. You may review the contents of your case file at appropriate times and are entitled to copies of its contents.

You are responsible for assuring that all information retained by STEPS, Inc. such as your address, phone number, emergency contacts, etc. remain current.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

Revised: 05/08/2007

STEPS, Inc.

Policy Title: INTAKE AND ORIENTATION –
Notification of Agency Performance

Policy No.: 3.02

In the fall of each year, STEPS, Inc. completes an Outcomes Measurement Report to provide service recipients and other stake holders an overview of its business and service provision outcomes for the previous fiscal year. A copy of the latest report is available from the Human Resource Manager upon request.

**Approved: Personnel Committee
Board of Directors**

Effective: 05/17/2006

STEPS, Inc.

Policy Title: INTAKE AND ORIENTATION –
Cost of Service Provision

Policy No.: 3.03

STEPS, Inc. operates on a “fee-for-service” basis. Each service provided has an associated cost that is paid by a funding source or the individual served. The fees are reviewed and, if necessary, changed annually. A copy of STEPS’ schedule of service fees is available from the Employment Services Manager upon request.

**Approved: Personnel Committee
Board of Directors**

Effective: 05/17/2006

STEPS, Inc.

Policy Title: COMPENSATION – Hours of Work

Policy No.: 4.01

It is the policy of STEPS, Inc. to establish work hours for each participant, based on work load, customer service needs, and the efficient management of personnel resources. Working hours are not the same for all participants. Your immediate supervisor is responsible for establishing your normal schedule.

All participants are entitled to two ten minute paid breaks (one in the morning and the other in the afternoon) during your work schedule and a paid 20 minute lunch. Each participant is required to maintain a time card which logs hours worked for payroll and cost accounting purposes.

The work week commences at 12:01 AM on Sunday and ends at 12 midnight on Saturday.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

Revised: 07/01/2008

STEPS, INC.

Policy Title: COMPENSATION – Organization Closings **Policy No.:** 4.02

Occasionally, STEPS, Inc. is required to close for all or a portion of a work day due to weather conditions, equipment malfunctions and other emergency closings. You are urged to listen to your local radio and television stations for announcements of closings.

Below is a listing of announcements that will be made on the local stations regarding the status of STEPS during closings.

1. **“STEPS in Farmville/Victoria closed. Follow Code 1.”**
This means that our transportation system will not operate, but all other employees are expected to report to work at their normal time. Any employee not planning to report to work is expected to call in by 7:00 a.m.

2. **“STEPS in Farmville/Victoria closed. Follow Code 2.”**
This means that our transportation system will not operate, but all other employees are expected to report to work at 9:00 a.m. Any employee not planning to report to work is expected to call in by 9:00 a.m.

If you choose to arrive at work before 9:00 a.m., there may not be a supervisor available to let you in the building.

3. **“STEPS in Farmville/Victoria closed. Follow Code 3.”**
This means NO ONE is expected to report to work.

Every effort will be made to have these announcements aired as early as possible. Be sure to listen carefully to ensure that the announcement you hear is for the STEPS plant in which you work.

If you are unable to get to work or you feel that you should leave work due to inclement weather, you will not be paid for the lost time.

The decision to officially shut down is made by the Chief Executive Officer, in consultation with other staff and the area's Transportation Department.

**Approved: Personnel Committee
Board of Directors**

**Effective: 04/17/2003
Revised: 10/02/2006
Revised: 05/08/2007
Revised: 01/15/2008
Revised: 01/26/2009**

STEPS, Inc.

Policy Title: COMPENSATION – Absenteeism

Policy No.: 4.03

It is expected that each participant report to work on a consistent basis. Due to the nature of our business, absenteeism adversely affects the entire production schedule. If you will be absent, you are required to contact your immediate supervisor as far in advance as possible and bring notes from any doctor's or other appointments.

**Approved: Personnel Committee
Board of Directors**

Effective: 04/17/2003

STEPS, Inc.

Policy Title: ADMINISTRATION –
Method and Time of Payment

Policy No.: 5.01

All employees are paid by check, after 2 PM on a bi-weekly basis, every other Friday. **NO** checks will be distributed prior to 2 PM on pay day. If a pay period ends on a holiday, every attempt will be made to issue checks on the work day immediately before.

If STEPS is closed due to inclement weather, the following shall apply to issuing pay checks:

1. **“STEPS in Farmville/Victoria closed. Follow Code 1.”**
Checks will be issued after 2 PM.
2. **“STEPS in Farmville/Victoria closed. Follow Code 2.”**
Checks will be made available if authorized personnel are working.

Authorized Personnel include: Farmville Locations
Chief Executive Officer
Employment Services Manager
Manufacturing Manager
Human Resource Manager
Business Manager
Bookkeeper
Boutique Manager
Assistant Boutique Manager

Victoria Location
Chief Executive Officer
Employment Services Manager
Manufacturing Manager
Cutting Department Supervisor
Office Manager

3. **“STEPS in Farmville/Victoria closed. Follow Code 3.”**
Checks will not be issued until STEPS reopens for business.

STEPS is willing to mail your paycheck to a provided address. Checks will be mailed on payday. With your **WRITTEN AND SIGNED** authorization, STEPS will also release your check to a friend or relative with proper identification, if you are absent on pay day.

**Approved: Personnel Committee
Board of Directors**

**Effective: 09/08/2004
Revised: 03/01/2007
Revised: 12/09/2009
Revised: 09/29/2010**

STEPS, Inc.

Policy Title: ADMINISTRATION – Payroll Deductions

Policy No.: 5.02

All deductions from your gross pay fall into the following categories:

1. **Those Required by Federal and/or State Law**
 - a. Employee's share of Social Security tax
 - b. Virginia State withholding tax
 - c. Federal withholding tax
 - d. Liens

2. **Those Authorized by You**
 - a. Your tax sheltered annuity contribution
 - b. Your supplemental (AFLAC) contribution
 - c. Other

The results of these deductions appear on your pay check stub.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: ADMINISTRATION – Liens

Policy No.: 5.03

STEPS, Inc. incorporates the following fee schedule for each lien received on employees.

Department of Taxation Tax Lien	\$20.00 per lien
County Tax Lien	20.00 per lien
Garnishment Summons	10.00 per garnishment
Division of Child Support Enforcement	5.00 per payroll deduction
Wage Assignments	5.00 per payroll deduction

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: ADMINISTRATION –

Policy No.: 5.04

Employment Information/Payroll History

STEPS, Inc. charges employees a fee of \$1.00 per page (\$5.00 minimum) to generate payroll history reports and for completing employment information forms.

This fee is waived for agencies that do not accept pay stubs as proof of employment/income.

**Approved: Personnel Committee
Board of Directors**

Effective: 08/01/2006

STEPS, Inc.

Policy Title: STATUS CHANGE –
Transfer, Promotion and Upgrade

Policy No.: 6.01

STEPS, Inc. encourages you to apply for positions for which you are qualified as they become vacant. If you apply for and secure a position of an equal range to your current position, you will be transferred to that position. If you apply for and secure a position in a higher range, you will be promoted to that position. When a promotion is made or a position is upgraded, the employee may receive a salary increase.

Up to the first 90 calendar days in your new position is considered an introductory period to enable you to learn the new job and to afford your immediate supervisor the opportunity to evaluate your performance. This introductory period may be extended an additional 90 calendar days if more time for training and/or observation is needed.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: STATUS CHANGE – Layoff

Policy No.: 6.02

When it is necessary to reduce the number of facility employees because of lack of work, funds or re-organization, the Chief Executive Officer shall make a thorough analysis of this need. The Chief Executive Officer shall involve the Management Team in making such a study and in developing plans for reduction in the workforce. Employees separated from employment through layoff shall be placed on a list of those eligible for reemployment. This list shall be maintained for six (6) months from the date of such employee's layoff. Decisions made regarding layoff are not subject to the grievance procedure.

When STEPS, Inc. employees face layoffs, the following shall be in effect:

1. STEPs will continue paying the employee's life insurance for 6 months.
2. Employees that have Supplemental Insurance Policies will be billed directly for their policies at their home address and are responsible for paying 100% of the premiums.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

Revised: 05/08/2007

Revised: 02/18/2009

STEPS, Inc.

Policy Title: STATUS CHANGE –
Reduction in Hours and Wages

Policy No.: 6.03

Only the Chief Executive Officer may reduce the hours of employees with an adjustment in wages and fringe benefits. This may be done in lieu of termination when necessitated by economic conditions, reorganization, lack of work or other conditions. Any decision regarding the reduction in hours is not grievable.

**Approved: Personnel Committee
Board of Directors**

**Effective: 10/16/2003
Revised: 05/08/2007**

STEPS, Inc.

Policy Title: STATUS CHANGE –
Suspension

Policy No.: 6.04

Suspension results when a Level I Offense has been committed (See Policy No. 8.02 – Standards of Conduct). STEPS will continue to pay for the employee's life insurance until a final determination is made regarding employment.

Approved: Personnel Committee
Board of Directors

Effective: 10/16/2006

Revised: 03/12/2008

STEPS, Inc.

Policy Title: BENEFITS – Holidays

Policy No.: 7.01

The Chief Executive Officer will determine the holiday schedule. This schedule will be posted prior to the beginning of each fiscal year (July 1 – June 30).

**Approved: Personnel Committee
Board of Directors**

**Effective: 10/16/2003
Revised: 05/08/2007**

STEPS, Inc.

Policy Title: BENEFITS – Tax Sheltered Annuity

Policy No.: 7.02

STEPS, Inc. maintains a Tax Sheltered Annuity program to provide access to retirement benefits for all employees. You may elect to enter this program, with your personal contribution (payroll deduction) after your Introductory Period.

The total amount of your contribution is governed by Federal law.

The insurance company carrying Tax Sheltered Annuities for STEPS, Inc. employees may develop regulations which supersede these policies. See the Human Resource Manager or contact your tax sheltered annuity agent for further details.

STEPS, Inc. reserves the right to change Tax Sheltered Annuity carriers or agents at any time.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: BENEFITS – Worker's Compensation

Policy No.: 7.03

If you become injured in the course of your job specific duties, you are covered by Worker's Compensation insurance, which is fully paid by STEPS, Inc. If you are injured on the job, your injury must be promptly reported to your immediate supervisor or the Human Resource Manager.

An injury report describing the accident/injury and the circumstances surrounding it must be completed within 24 hours. This policy applies to all injuries, including minor injuries.

If the worker's compensation injury results in the employee's inability to work for 3 consecutive days; FMLA papers will be completed and sent to the injured employee by certified mail.

For further information see Appendix entitled "Notice to Employees Under Family and Medical Leave Act of 1993."

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

Revised: 03/12/2008

STEPS, Inc.

Policy Title: BENEFITS – Social Security (FICA)

Policy No.: 7.04

STEPS, Inc. is required, by law, to participate in the Federal Insurance Compensation Act (FICA), commonly referred to as Social Security. Under this Act, STEPS withholds a percentage of your pay and deposits it, along with an equal amount contributed by the Organization, into your Social Security account.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: BENEFITS – Food Facilities

Policy No.: 7.05

A lunch room is provided at each plant for breaks and meals. Vending machines provide snacks and beverages. A microwave oven and refrigerator are also available for employees use.

Food may not be consumed on the production floor. Water in an enclosed container is the only allowable beverage permitted in the manufacturing area.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: BENEFITS –
Social and Recreational Activities

Policy No.: 7.06

A number of social and recreational activities for STEPS employees are planned each year. Other events are held on an informal basis.

Employees are encouraged to participate in these activities and will be paid for their attendance at these events. If an employee chooses not to participate, they are encouraged to stay home and will not be compensated for that day.

**Approved: Personnel Committee
Board of Directors**

Effective: 09/08/2004

STEPS, Inc.

Policy Title: BENEFITS – Parking

Policy No.: 7.07

STEPS, Inc. provides limited parking space on STEPS' property for staff, production workers, participants and visitors. Designated parking spaces are available only for STEPS owned vehicles. Use of all other parking spaces is on a first come first served basis.

There is also handicapped designated parking for STEPS' employees and visitors. Only people with the appropriate decals will be permitted to park in these designated areas.

**Approved: Personnel Committee
Board of Directors**

**Effective: 10/16/2003
Revised: 10/01/2006**

STEPS, Inc.

Policy Title: BENEFITS – Participant Development

Policy No.: 7.08

STEPS, Inc. feels strongly that you should have the opportunity to benefit from work related training and education which will enhance your role within the organization. Development includes in-service training, presentations at STEPS, on the job training, etc.

A report of any training activities in which you participate is completed by your immediate supervisor and placed in your personnel file.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: BENEFITS – Section 125 Plan

Policy No.: 7.09

Employees who choose to take advantage of STEPS, Inc. retirement and supplemental insurance will have their gross wages/salary reduced by the amount of their personal contribution to these plans. This reduces the amount of your taxable income and therefore the amount of FICA, Federal and State taxes withheld from your check.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: BENEFITS – Bereavement Leave

Policy No.: 7.10

In cases of death in the immediate family, up to three days leave with pay may be granted to full and part-time employees. Maximum is three days in a calendar year. Bereavement leave takes effect 90 days after your employment with the organization. Other leave types may be used for additional bereavement leave time beyond the three day maximum. Immediate family members include: spouse, children, stepfather, stepmother, stepchildren, siblings, mother, mother-in-law, father, father-in-law, grandchildren and grandparents.

A printed obituary must be presented to enable employees to receive bereavement leave.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

Revised: 07/01/2007

Revised: 04/14/2008

STEPS, Inc.

Policy Title: BENEFITS – Group Life Insurance

Policy No.: 7.11

STEPS, Inc. provides a \$10,000.00 group life insurance policy for each part-time participant after completion of an Introductory Period. This policy takes effect 90 days after your employment with the organization and is available at no cost to you.

This coverage terminates when you are no longer employed by STEPS, Inc.

Please review your policy for age adjustments to your life insurance premium.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

Revised: 07/01/2007

Revised: 07/01/2010

STEPS, Inc.

Policy Title: WORK AND PERFORMANCE RULES –
Problem Solving

Policy No.: 8.01

STEPS, Inc. trusts that each employee is committed to the goals of the organization and wishes to succeed at his/her job. Therefore, STEPS, Inc. encourages you to work together to solve organizational problems and to achieve organizational goals, as identified in the STEPS, Inc. Strategic Plan, within your sphere of responsibility and in cooperation with other employees and departments. "Pitching in" to help out periodically is encouraged, but consistently assuming another employee's job is not. Employees are urged to discuss ways to improve systems and performance, both within and between departments, in an effort to solve problems.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: WORK AND PERFORMANCE RULES –
Standards of Conduct

Policy No.: 8.02

The standards of conduct are designed to protect the well being of all employees; to ensure a safe; efficient operation, and to assure compliance with applicable laws. Employees are expected to meet established performance standards and report conditions or circumstances that may prevent them from performing their job effectively. These standards provide supervisors with a fair and objective process for correcting unacceptable conduct.

OFFENSES WARRANTING ACTIONS:

Level I Offenses – Committing a Level I offense will result in immediate termination. Level I offenses include:

1. Carrying or using firearms or other dangerous weapons or materials on STEPS premises (including STEPS parking lots) or in connection with STEPS business.
2. Involvement in any illegal activities on STEPS premises (including STEPS parking lots) or in connection with STEPS business.
3. Disclosing or misusing confidential information, trade secrets or proprietary business information about any STEPS matter to unauthorized persons or competitors.
4. Receiving a criminal conviction for acts of conduct occurring on or off the job which are of such a nature that to retain the employee in the assigned position could constitute negligence.
5. Instigating, encouraging or participating in any illegal work stoppages, slowdowns, strikes, or other interferences with, or restrictions of, STEPS' operations.
6. Unauthorized access to personnel files and client records.
7. Unauthorized use, lending, borrowing or duplicating of STEPS keys.
8. Retaliating against a co-worker for reporting suspected violations of federal, state and/or local laws or reporting a suspected case of non-compliance with STEPS, Inc. personnel policies.

Retaliating in this case is taken to include but not limited to the following:

- a. Blatant retaliation by a supervisor which may include, but not limited to, the loss of a job, being constantly given an unpopular job assignment, being constantly given extra work or being branded as a "troublemaker," or creating barriers to services.
- b. Blatant retaliation by co-workers including being bullied, being picked on or being called names.
- c. Subtle retaliation including shunning by co-workers or failure to be considered for a new assignment.

Whistleblowers and others who make protected disclosures in good faith shall not be retaliated against in any manner, with the intent of adversely affecting the terms or conditions of employment or enrollment (including but not limited to, threats or physical harm, loss of job, adverse or punitive work assignments or impact on salary or wages) and shall be protected from such retaliation by STEPS. This protection from retaliation is not intended to prohibit supervisors or administrators from taking action, including disciplinary action, in the usual scope of their duties and based upon valid performance related factors.

Whistleblowers and others who believe they are the subject of prohibited retaliation should promptly report such actions to the Human Resource Manager.

OTHER OFFENSES WARRANTING ACTION:

When an offense occurs, the prescribed disciplinary action will be determined after taking into consideration the participant's documented disability. The Employment Services Manager and the participant's immediate supervisor will meet to review the incident, gather any other information needed/available and determine the participant's specific disciplinary action.

DUE PROCESS:

Prior to the issuance of any written notices, demotions, transfers with disciplinary salary actions, suspensions or terminations, the Employment Services Manager or designees will review the documentation for the recommended actions to determine if the action is appropriate for the offense.

1. Advance Notice of Discipline to Employees

Prior to the issuance of written notices, disciplinary suspensions, demotions, transfers with disciplinary salary actions and terminations employees must be given oral or written notification of the offense, an explanation of STEPS evidence in support of the charge and a reasonable opportunity to respond.

Note: All internal investigations must be initiated as soon as a complaint is received.

2. Employee Response and "Reasonable Opportunity to Respond"

Employees must be given a reasonable opportunity to respond after receiving notification of pre-disciplinary actions. Normally, a 24 hour period is a sufficient period of time, however, a "reasonable opportunity to respond" should not be based solely on the quantity of time provided but also on the

nature of the offense, which may or may not require more or less time to refute or mitigate the charge.

USE OF GRIEVANCE PROCEDURE:

Non-probationary employees may challenge corrective or disciplinary actions through STEPS Grievance Procedure.

RECORDS MANAGEMENT:

STEPS must update employee's personnel files immediately upon issuance of a written notice, upon placing employees on disciplinary suspension and upon subsequent demotions or transfers with disciplinary salary actions and terminations.

**Approved: Personnel Committee
Board of Directors**

**Effective: 01/15/2003
Revised: 05/29/2006
Revised: 05/08/2007
Revised: 02/28/2009**

STEPS, Inc.

Policy Title: WORK AND PERFORMANCE RULES –
Drug Free Workplace

Policy No.: 8.03

It is the policy of STEPS, Inc. that the unlawful manufacture, distribution, dispensation, possession, use of or working under the influence of a controlled substance is prohibited in our organization. Because of the nature of STEPS, Inc. business, any violation of this policy by employees is grounds for immediate dismissal.

STEPS, Inc. establishes a drug free awareness emphasis as part of our in-service training program. This emphasis focuses on the dangers of drug abuse in the workplace and the availability of drug counseling and rehabilitation.

If you are convicted of a drug abuse violation, STEPS, Inc. is required by law to notify any Federal agency with which we have a contract or grant.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: WORK AND PERFORMANCE RULES –
Safety Rules

Policy No.: 8.04

It is the policy of STEPS, Inc. that the safety of all employees and guests and the security of all of our property and that of our customers is the responsibility of all our employees. As a condition of employment, employees are expected to follow all safety rules and practices. If you are in doubt about safety matters concerning STEPS, Inc., consult the Safety Manual, any member of the safety committee and/or your immediate supervisor. The Safety Manual can be found in the office of each plant and members of the Safety Committee are posted on the bulletin boards of each plant.

All injuries sustained during hours of work and which arise out of and in the course of employment, however slight, must be promptly reported to your immediate supervisor so that the proper accident report form can be executed.

Our organizational operations and procedures incorporate a high degree of safety and reliability, but your attention to your own safe behavior will be the deciding factor in your freedom from accident. Become aware of and follow the general safety rules and practices and those in your department. The safety committee encourages all employees to make suggestions on improvements and practices.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: WORK AND PERFORMANCE RULES –
Confidentiality

Policy No.: 8.05

As an employee of STEPS, Inc., you are expected to ensure confidentiality and privacy in regard to history, records and discussions about participants/employees we serve/hire. The very fact that an individual is served/hired by STEPS, Inc. must be kept private and confidential; disclosure can be made only under specified conditions which are described below. This means that you may not disclose any information about a person, including the fact that the person is or is not served/hired by STEPS, Inc. to anyone outside this organization unless you have the proper authorization to do so. This principle of confidentiality must be maintained by all programs, departments, functions and activities. The only exceptions include:

1. The written or signed request of the employee;
2. Court order via subpoena;
3. Situation wherein life and death or medical emergencies prompt one's best judgment to take immediate action.

We make our participants/employees aware of this obligation during their orientation and in the employee handbook that each participant/employee receives.

Should a STEPS' participant be contacted by the criminal justice system (courts, parole officers, police, etc.) about a participant's/employee's progress or about his/her criminal history, contact your supervisor or the Employment Services Department immediately.

**Approved: Personnel Committee
Board of Directors**

**Effective: 10/16/2003
Revised: 05/22/2006**

STEPS, Inc.

Policy Title: WORK AND PERFORMANCE RULES –
Sexual Harassment

Policy No.: 8.06

Sexual harassment in any form is unacceptable conduct and is not condoned by STEPS, Inc. Acts of sexual harassment at the workplace by employees against other employees, participants, or the public is not tolerated and is strictly prohibited. Accordingly, STEPS, Inc. established the following standards:

1. It is unlawful and against STEPS, Inc. policy for any employee, male or female, to harass another by: making unwelcome sexual advances or making favors or other verbal or physical conduct of a sexual nature a condition of any employee's work; using an employee's submission to or rejection of such conduct as a basis for or as a factor in any employment decision affecting the individual; or otherwise creating an intimidating, hostile or offensive working environment by such conduct.
2. The creation of an intimidating, hostile or offensive working environment may include such actions as persistent comments on an employee's sexual preferences or the display of obscene or sexually oriented photographs or drawings. Conduct or actions that arise out of a personal or social relationship and that are not intended to have a discriminatory employment effect may not be viewed as harassment. STEPS, Inc. will determine whether such conduct constitutes sexual harassment, based on a review of the facts and circumstances of each situation.
3. STEPS, Inc. will not condone any form of sexual harassment toward others, including participants and the general public. All employees are subject to disciplinary action, up to and including discharge from employment for any act of sexual harassment against others.
4. If you believe that you are being sexually harassed, you should report the harassment to your immediate supervisor at once. If your immediate supervisor is the source of the alleged harassment, you should report the alleged harassment to the Human Resource Manager. All sexual harassment complaints should be in writing and will be investigated as soon as a complaint is received.
5. Supervisors who receive a sexual harassment complaint should carefully investigate the matter, keeping in mind that privacy considerations are applied in handling this type of complaint. The investigating supervisor will question all employees who may have knowledge of either the incident in question or similar problems. The

complaint, investigative steps and findings should be documented as thoroughly as possible.

6. If you are dissatisfied with the investigation's resolution of a sexual harassment complaint, you may file a complaint through the grievance procedure (see Policy 8.01). You will not be subject to any form of retaliation or discipline for pursuing a sexual harassment complaint.

**Approved: Personnel Committee
Board of Directors**

**Effective: 10/16/2003
Revised: 02/28/2009**

STEPS, Inc.

Policy Title: WORK AND PERFORMANCE RULES –
Dress Code

Policy No.: 8.07

Professional attire is expected at all levels of the organization. Your dress must be appropriate to and safe for your job. Shorts are permitted, but must be knee length. Tank tops and midriff tops are not allowed. Clothing with derogatory or distasteful comments is not acceptable. Closed toe shoes must be worn in the manufacturing areas. Personal attention to one's hygiene, neatness and cleanliness is always expected.

Your immediate supervisor is available to discuss the appropriateness and safety of your attire with you.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: WORK AND PERFORMANCE RULES –
Solicitations

Policy No.: 8.08

There will be **NO** solicitation on STEPS property without approval from the Chief Executive Officer.

**Approved: Personnel Committee
Board of Directors**

**Effective: 10/16/2003
Revised: 03/01/2007**

STEPS, Inc.

Policy Title: WORK AND PERFORMANCE RULES –
Telephone Use

Policy No.: 8.09

STEPS phones are installed to perform STEPS' business. If you should need to use the STEPS telephone to make an emergency long distance phone call, you are to charge that call to your calling card.

Personal cell phones are to be kept turned off and only used during breaks and lunch.

Any abuse of this policy is grounds for disciplinary action.

Approved: Personnel Committee
Board of Directors

Effective: 10/16/2003
Revised: 07/01/2007

STEPS, Inc.

Policy Title: WORK AND PERFORMANCE RULES – **Policy No.:** 8.10
Conflict of Interest

STEPS, Inc. expects your primary interest to be the people we serve. A conflict of interest occurs when your interests or those of another outside party actually or potentially affect STEPS in a negative way. Examples of conflict of interest situations are described below:

1. **OUTSIDE BUSINESS INTERESTS** – You may have outside business interests and outside employment as long as these do not interfere with your STEPS job performance. You may not earn profit from outside employment or business interests that directly result from your affiliation with STEPS, Inc.
2. **GIFTS, GRATUITIES** – You are not to solicit or accept, either directly or indirectly, any gifts, gratuities, free trips, personal property or other items of value from an outside person or organization which could reasonably be considered as a reward for action or inaction on your part.
3. **PERSONAL BELIEFS** – STEPS, Inc. recognizes that our employees may hold a wide range of personal beliefs, values and commitments. These beliefs, values and commitments are a conflict of interest only when they prevent you from fulfilling your job responsibilities, if you attempt to use STEPS, Inc. time and facilities for furthering them or if you continue attempting to convince others of your personal beliefs after you have been asked to stop.

Contact your immediate supervisor, Human Resource Manager or the Chief Executive Officer whenever you have questions about a potential or actual conflict of interest.

Occasionally, STEPS employees are called upon to make presentations to community groups about STEPS, Inc. and the services that it provides. If you are compensated for such an engagement, you are expected to reimburse STEPS, Inc. for the amount of your compensation. On the other hand, if your presentation involves a topic unrelated to STEPS or deals with a more generic related topic and occurs outside of business hours, any compensation received is yours to keep. If you have any questions, contact your immediate supervisor or the Chief Executive Officer.

**Approved: Personnel Committee
Board of Directors**

**Effective: 10/16/2003
Revised: 03/01/2007**

STEPS, Inc.

Policy Title: WORK AND PERFORMANCE RULES –
Speaking to the Media

Policy No.: 8.11

You may not speak to the news media as an official or unofficial spokesperson of STEPS, Inc. without prior clearance from the Chief Executive Officer. All inquiries from the media should be referred to the Chief Executive Officer or in his/her absence, a member of STEPS, Inc. Management Team.

Approved: Personnel Committee
Board of Directors

Effective: 10/16/2003

Revised: 03/01/2007

STEPS, Inc.

Policy Title: WORK AND PERFORMANCE RULES –
Smoking

Policy No.: 8.12

STEPS, Inc. offers a smoke free environment to all staff, participants, production workers and guests. Smoking is not allowed in STEPS building or vehicles.

Smoking is allowed outside of the building in specially designated areas. If you do smoke, you are responsible for keeping the area clean and free of smoking debris.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: WORK AND PERFORMANCE RULES –
Lost and Found

Policy No.: 8.13

The STEPS, Inc. lost and found center is located in the office at each plant.
Contact the Office Manager whenever you have found or lost articles.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: WORK AND PERFORMANCE RULES –
Personal Property

Policy No.: 8.14

STEPS, Inc. is not responsible for the loss or destruction of your personal property if brought to work, used in the course of your work or left in your car. If you require tools to perform your job, you are urged to request them from your immediate supervisor. You are encouraged to keep your car locked at all times.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: WORK AND PERFORMANCE RULES –
Workplace Violence

Policy No.: 8.15

STEPS is committed to preventing violence in the workplace and maintaining a safe work environment. Given the increasing violence in society, STEPS has adopted guidelines to deal with intimidation, harassment, or other threats of violence to self or others that may occur on its premises.

STEPS will not tolerate any conduct that threatens, intimidates, or coerces an employee, customer, or member of the public at any time. Additionally, firearms, weapons, and other dangerous or hazardous devices or substances are strictly prohibited from the premises of STEPS.

**Approved: Personnel Committee
Board of Directors**

Effective: 05/10/2009

STEPS, Inc.

Policy Title: FACILITY BASED JOB TRAINING
SERVICES – Situational Assessment

Policy No.: 9.01

A brief “real world” evaluation of an individual’s employability skills intended to establish a baseline from which to develop training plans.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: FACILITY BASED JOB TRAINING
SERVICES – Work Adjustment

Policy No.: 9.02

An on-the-job training program intended to enhance an individual's employability and task specific skills.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: FACILITY BASED JOB TRAINING
SERVICES – Extended Employment

Policy No.: 9.03

An employment/training program intended for individuals in need of a supportive work environment to ensure success.

**Approved: Personnel Committee
Board of Directors**

Effective: 10/16/2003

STEPS, Inc.

Policy Title: COMPLAINT AND GRIEVANCE
PROCEDURE – Grievance Procedure

Policy No.: 10.01

INFORMAL

The management of STEPS encourages employees to discuss all complaints with your immediate supervisor in order to arrive at a solution on an informal basis. A specific complaint shall be reported to your immediate supervisor. Most complaints should be resolved at this level on an informal basis. Should the informal procedure prove unsatisfactory, the formal procedure should be utilized.

FORMAL

1. The employee shall complete a Written Complaint Form which may be obtained from the office during regular work hours. This form is to be signed and presented to your immediate supervisor within five (5) working days after your immediate supervisor has made his/her informal decision.
2. Your immediate supervisor shall document receipt of the form and present the employee with a copy of the documented Complaint Form.
3. Your immediate supervisor shall send the Complaint Form to the next level of supervision for review and decision. The decision will be discussed with the employee within five (5) working days after the supervisor's documented receipt of the form.
4. If the employee is not satisfied with the decision rendered in Step 3, the employee may request, in writing within five (5) working days that the Complaint Form be presented to the Chief Executive Officer for review and decision.
5. The Chief Executive Officer will respond to the employee in writing within five (5) working days following receipt of the written request and Complaint Form. The decision of the Chief Executive Officer has precedence over any prior decisions.
6. Should the employee still not be satisfied, he/she may request in writing to meet with the Executive Committee of the Board of Directors. This written request must be filed with the Chief Executive Officer within five (5) working days following the receipt of the Chief Executive Officer's written decision.

7. The Executive Committee of the Board of Directors shall call a special meeting to discuss this complaint. It is left to the discretion of the Board Chairman or Vice Chairman to designate the meeting date and time. The Committee shall review the case/complaint, perform any needed investigation and present the employee with a written decision within five (5) working days following their meeting. The decision of the Executive Committee is binding on both you and STEPS, Inc.

All steps must be documented in writing, with copies signed and dated by all parties. Each step must be accomplished within five (5) working days. If you fail to follow through within five (5) days, the grievance is considered resolved.

Employees filing formal grievances for suspected violations of federal, state and/or local laws or reporting a suspected case of non-compliance with STEPS, Inc. personnel policies shall not be retaliated against.

Retaliation in this case is taken to include but not limited to the following:

- Blatant retaliation by a supervisor which may include, but not limited to, the loss of a job, being constantly given an unpopular job assignment, being constantly given extra work or being branded as a "troublemaker," or creating barriers to services.
- Blatant retaliation by co-workers including being bullied, being picked on or being called names.
- Subtle retaliation including shunning by co-workers or failure to be considered for a new assignment.

Whistleblowers and others who make protected disclosures in good faith shall not be retaliated against in any manner, with the intent of adversely affecting the terms or conditions of employment or enrollment (including but not limited to, threats or physical harm, loss of job, adverse or punitive work assignments or impact on salary or wages) and shall be protected from such retaliation by STEPS. This protection from retaliation is not intended to prohibit supervisors or administrators from taking action, including disciplinary action, in the usual scope of their duties and based upon valid performance related factors. Whistleblowers and others who believe they are the subject of prohibited retaliation should promptly report such actions to the Human Resource Manager.

Assistance is available to any employee who needs help with filing a formal grievance. Contact the Human Resource Department for further details.

**Approved: Personnel Committee
Board of Directors**

**Effective: 10/16/2003
Revised: 03/20/2006
Revised: 03/01/2007
Revised: 02/28/2009**

STEPS, Inc.

Policy Title: TERMINATION OF EMPLOYMENT –
Fringe Benefits

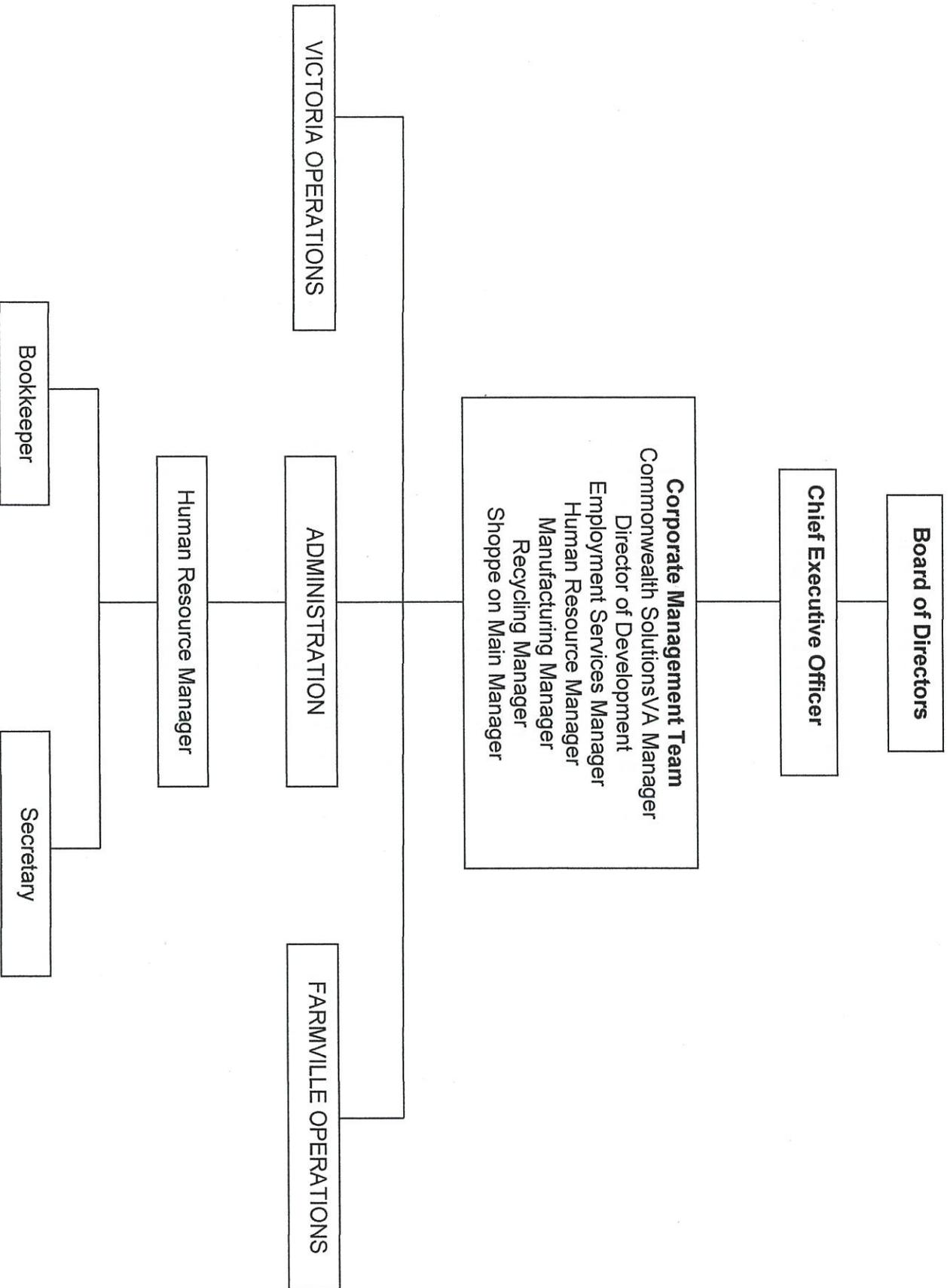
Policy No.: 11.01

The following benefits are granted to you upon termination:

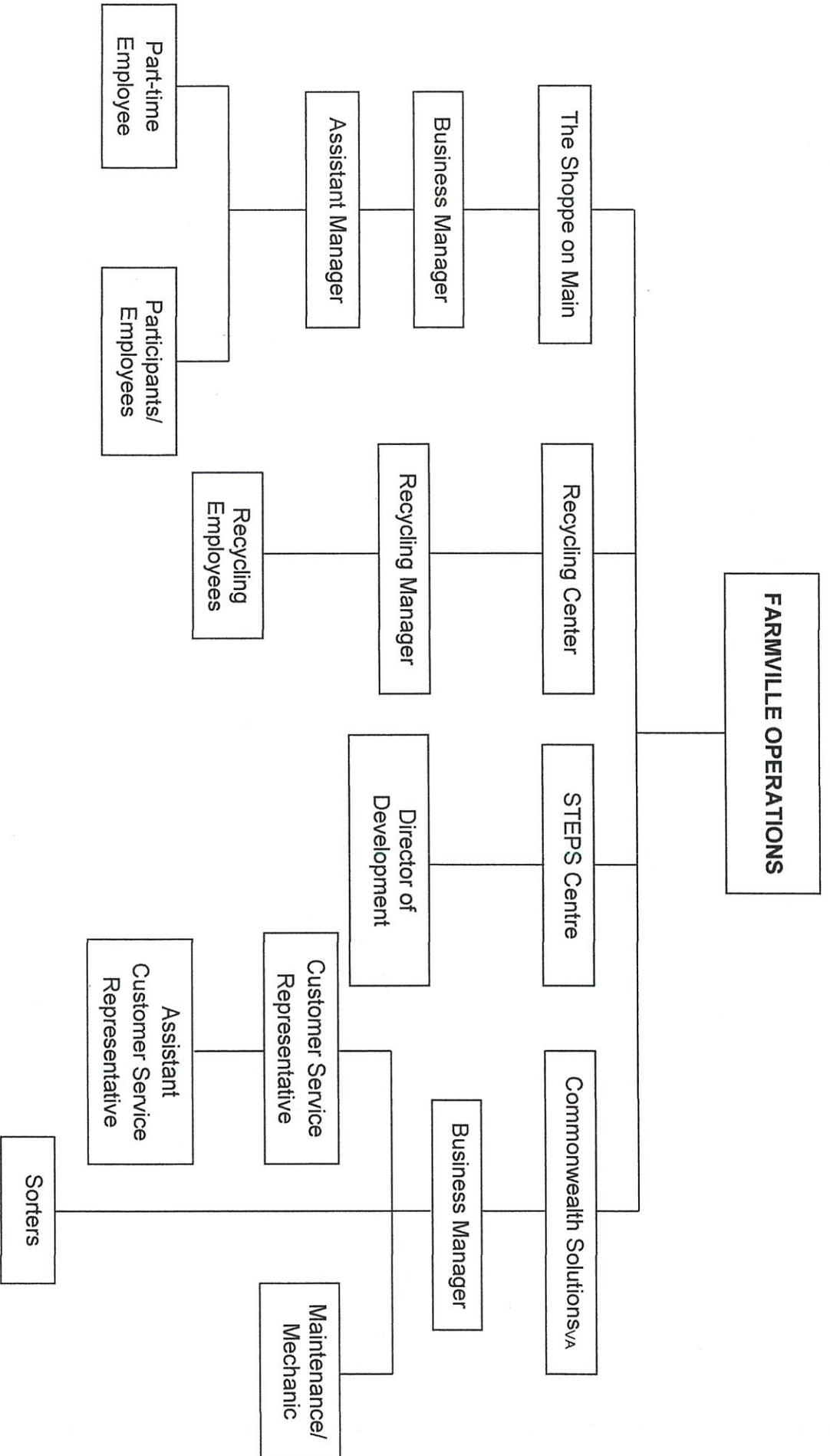
1. Earned wages/salary, less payroll deductions
2. Personal maintenance of life insurance (100% paid by employee), to the limits prescribed by law.
3. Tax Sheltered Annuity

**Approved: Personnel Committee
Board of Directors**

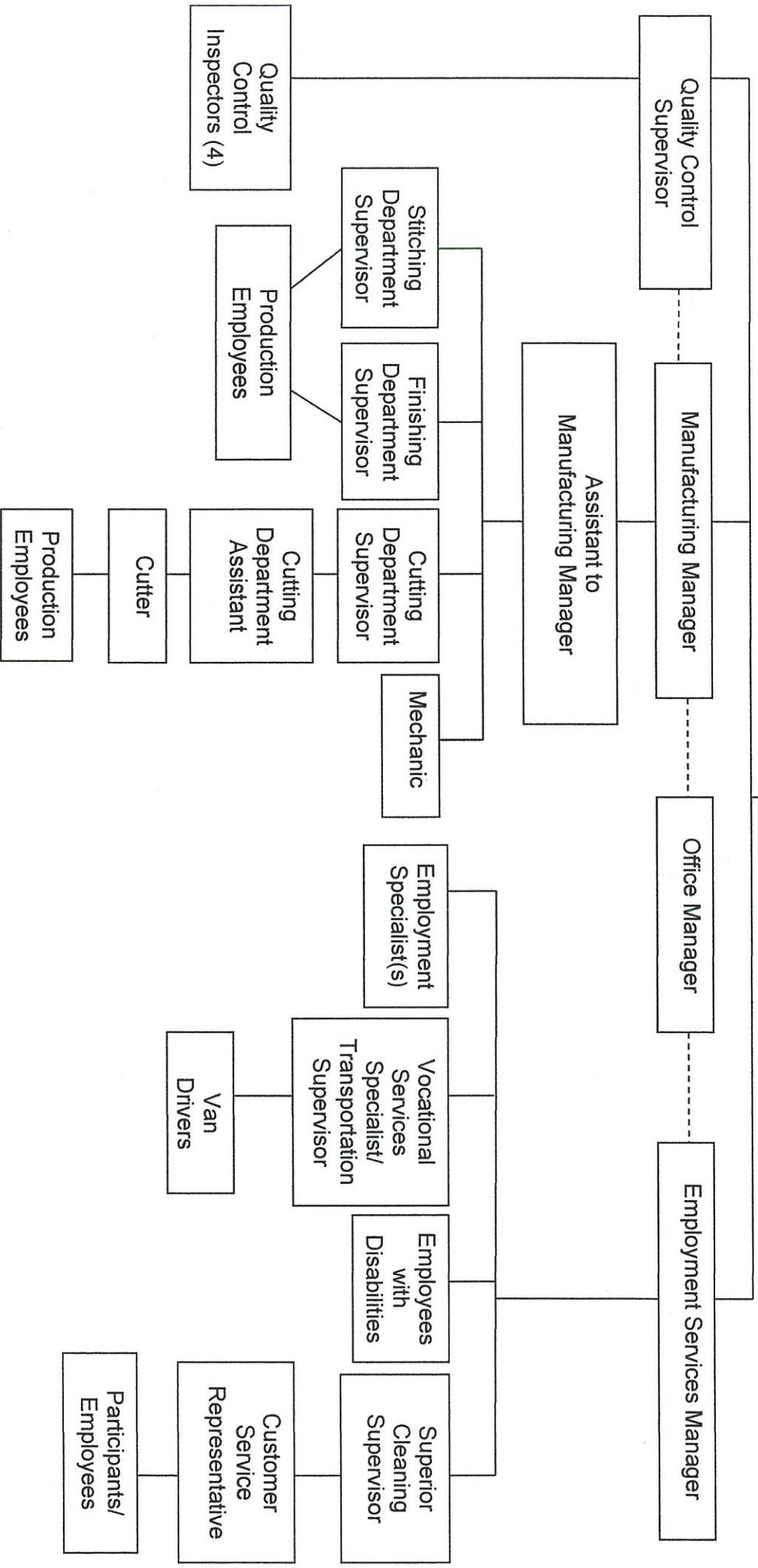
**Effective: 10/16/2003
Revised: 07/01/2010**



12/31/2012



VICTORIA OPERATIONS



STEPS, INC.
INFORMATION ON EMPLOYEE RIGHTS
YOU

1. Have the right to be treated with respect by your fellow co-workers.
2. Have the right to receive a paycheck every two weeks.
3. Have the right to expect that your personal information will be kept confidential.
4. Have the right to equal employment under the law regardless of race, color, sex, disability, religion or national origin.
5. Have the right to a safe and healthful workplace.
6. Have the right to request leave based on the criteria included in The Family and Medical Leave Act of 1993.
7. Have the right to be compensated according to federal minimum wage laws.
8. Have the right to apply for Workers Compensation benefits.
9. Have the right to grieve.

EMPLOYEE RIGHTS AND RESPONSIBILITIES UNDER THE FAMILY AND MEDICAL LEAVE ACT

Basic Leave Entitlement

FMLA requires covered employers to provide up to 12 weeks of unpaid, job-protected leave to eligible employees for the following reasons:

- For incapacity due to pregnancy, prenatal medical care or child birth;
- To care for the employee's child after birth, or placement for adoption or foster care;
- To care for the employee's spouse, son, daughter or parent, who has a serious health condition; or
- For a serious health condition that makes the employee unable to perform the employee's job.

Military Family Leave Entitlements

Eligible employees whose spouse, son, daughter or parent is on covered active duty or call to covered active duty status may use their 12-week leave entitlement to address certain qualifying exigencies. Qualifying exigencies may include attending certain military events, arranging for alternative childcare, addressing certain financial and legal arrangement, attending certain counseling sessions, and attending post-deployment reintegration briefings.

FMLA also includes a special leave entitlement that permits eligible employees to take up to 26 weeks of leave to care for a covered service member during a single 12-month period. A covered service member is: (1) a current member of the Armed Forces, including a member of the National Guard or Reserves, who is undergoing medical treatment, recuperation or therapy, is otherwise in outpatient status, or is otherwise on the temporary disability retired list, for a serious injury or illness*; or (2) a veteran who was discharged or released under conditions other than dishonorable at any time during the five-year period prior to the first date the eligible employee takes FMLA leave to care for the covered veteran, and who is undergoing medical treatment, recuperation, or therapy for a serious injury or illness.*

***The FMLA definitions of "serious injury or illness" for current service members and veterans are distinct from the FMLA definition of "serious health condition."**

Benefits and Protections

During FMLA leave, the employer must maintain the employee's health coverage under any "group health plan" on the same terms as if the employee had continued to work. Upon return from FMLA leave, most employees must be restored to their original or equivalent positions with equivalent pay, benefits, and other employment terms.

Use of FMLA leave cannot result in the loss of any employment benefit that accrued prior to the start of an employee's leave.

Eligibility Requirements

Employees are eligible if they have worked for a covered employer for at least 12 months, have 1,250 hours of service in the previous 12 months*, and if at least 50 employees are employed by the employer within 75 miles.

***Special hours of service eligibility requirements apply to airline flight crew employees.**

Definition of Serious Health Condition

A serious health condition is an illness, injury, impairment, or physical or mental condition that involves either an overnight stay in a medical care facility, or continuing treatment by a health care provider for a condition that either prevents the employee from performing the functions of the employee's job, or prevents the qualified family member from participating in school or other daily activities.

Subject to certain conditions, the continuing treatment requirement may be met by a period of incapacity of more than 3 consecutive calendar days combined with at least two visits to a health care provider or one visit and a regimen of continuing treatment, or incapacity due to pregnancy, or incapacity due to a chronic condition. Other conditions may meet the definition of continuing treatment.

Use of Leave

An employee does not need to use this leave entitlement in one block. Leave can be taken intermittently or on a reduced leave schedule when medically necessary. Employees must make reasonable efforts to schedule leave for planned medical treatment so as not to unduly disrupt the employer's operations. Leave due to qualifying exigencies may also be taken on an intermittent basis.

Substitution of Paid Leave for Unpaid Leave

Employees may choose or employers may require use of accrued paid leave while taking FMLA leave. In order to use paid leave for FMLA leave, employees must comply with the employer's normal paid leave policies.

Employee Responsibilities

Employees must provide 30 days advance notice of the need to take FMLA leave when the need is foreseeable. When 30 days notice is not possible, the employee must provide notice as soon as practicable and generally must comply with an employer's normal call-in procedures.

Employees must provide sufficient information for the employer to determine if the leave may qualify for FMLA protection and the anticipated timing and duration of the leave. Sufficient information may include that the employee is unable to perform job functions, the family member is unable to perform daily activities, the need for hospitalization or continuing treatment by a health care provider, or circumstances supporting the need for military family leave. Employees also must inform the employer if the requested leave is for a reason for which FMLA leave was previously taken or certified. Employees also may be required to provide a certification and periodic recertification supporting the need for leave.

Employer Responsibilities

Covered employers must inform employees requesting leave whether they are eligible under FMLA. If they are, the notice must specify any additional information required as well as the employees' rights and responsibilities. If they are not eligible, the employer must provide a reason for the ineligibility.

Covered employers must inform employees if leave will be designated as FMLA protected and the amount of leave counted against the employee's leave entitlement. If the employer determines that the leave is not FMLA protected, the employer must notify the employee.

Unlawful Acts by Employers

FMLA makes it unlawful to any employer to:

- Interfere with, restrain, or deny the exercise of any right provided under FMLA; and
- Discharge or discriminate against any person for opposing any practice made unlawful by FMLA or for involvement in any proceeding under or relating to FMLA.

Enforcement

An employee may file a complaint with the U. S. Department of Labor or may bring a private lawsuit against an employer.

FMLA does not affect any Federal or State law prohibiting discrimination, or supersede any State or local law or collective bargaining agreement which provides greater family or medical leave rights.

HIPAA Notice of Privacy Practices

STEPS, Inc.
225 Industrial Park Road
Farmville, VA 23901
434-315-5909

THIS NOTICE DESCRIBES HOW MEDICAL INFORMATION ABOUT YOU MAY BE USED AND DISCLOSED AND HOW YOU CAN GET ACCESS TO THIS INFORMATION. PLEASE REVIEW IT CAREFULLY

This "Notice of Privacy Practices" describes how STEPS, Inc. may use and disclose your protected health information (PHI) to carry out treatment, payment or healthcare operations (TPO) and for other purposes that are permitted or required by law. It also describes your rights to access and control your protected health information. "Protected health information" is information about you, including demographic information, that may identify you and that relates to your past, present, or future physical or mental health or condition and related services.

Uses and Disclosures of Protected Health Information

Your protected health information may be used and disclosed by STEPS, Inc. and others outside of our agency that are involved in the provision of treatment and training services to you, to pay for the cost of your services, to support the operation of STEPS' programs, and any other use required by law.

Treatment: We will use and disclose your protected health information to provide, coordinate, or manage your health care or any related services. This includes the coordination or management of your health care with a third party. For example, we would disclose your protected health information, as necessary to a physician, hospital emergency room staff, or rescue squad personnel, that provides care to you to ensure that they have the needed information to diagnose or treat you.

Payment: Your protected health information will be used as needed, to obtain payment for the services you receive from our agency.

Program Operations: We may use or disclose, as needed, your protected health information in order to support the business activities of our program. These activities include, but are not limited to, quality assessment activities, employee review activities, licensing, accreditation, and conducting or arranging for other business activities. We may use your protected health information in the following situations without your authorization in situations to include the following: as required by law; Public Health issues; Communicable Diseases; Abuse or Neglect; Legal Proceedings; Law Enforcement; Criminal Activity; Military Activity and National Security; and Workers' Compensation. Under the law, we must make disclosures to you when required by the secretary of the Department of Health and Human Services to investigate or determine our compliance with the requirements of Section 164.500.

Other Permitted and Required Uses and Disclosures: Will be made only with your consent, authorization or opportunity to object unless required by law.

You may revoke this authorization, at any time, in writing, except to the extent that our program has taken action in reliance on the use or disclosure indicated in the authorization.

Your Rights

Your rights, with respect to your protected health information are as follows:

You have the right to inspect and copy your protected health information. Under federal law, however, you may not inspect or copy the following records: psychotherapy notes; information compiled in reasonable anticipation of, or use in, a civil, criminal, or administrative action or proceeding, and protected health information that is subject to law that prohibits access to protected health information.

You have the right to request a restriction of your protected health information. This means you may ask us not to use or disclose any part of your protected health information for the purposes of treatment, payment, or program operations. You may also request that any part of your protected health information not be disclosed to family members or friends who may be involved in your services or for notification purposes as described in this Notice of Privacy Practices. Your request must state the specific restriction requested and to whom you want the restriction to apply.

STEPS, Inc. is not required to agree to a restriction that you request. If we believe it is in your best interest to permit use and disclosure of your protected health information, your protected health information will not be restricted. You then have the right to use another service provider.

You have the right to request to receive confidential communications from us by alternative means or at an alternative location. You have the right to receive a paper copy of this notice from us, upon request, even if you have agreed to accept this notice alternately, i.e. verbally or electronically.

You may have the right to have our agency amend your protected health information. If we deny your request for amendment, you have the right to file a statement of disagreement with us and we may prepare a rebuttal to your statement and will provide you with a copy of any such rebuttal.

You have the right to receive an accounting of certain disclosures we have made, if any, of your protected health information.

Complaints

You may complain to us or to the Secretary of Health and Human Services if you believe your privacy rights have been violated by us. You may file a complaint with us by notifying our privacy officers, Cynthia Saunders or Ryan Follett, of your complaint. We will not retaliate against you for filing a complaint.

STEPS, Inc. reserves the right to change the terms of this notice and will inform you by mail of any changes. You then have the right to object or withdraw as provided in this notice.

QUALITY POLICY STATEMENT

STEPS, Inc. mandates that meeting customer's specifications and expectations regarding quality is foremost in the operation of its entire organization in order to achieve its goal of employing and training people with disabilities while producing quality, marketable products. This Quality Assurance Manual has been developed to ensure that the company's policies under this mandate are available and understood by everyone.

All employees are required to follow this manual and supporting documentation as applicable to the requirements of their position. No deviation from the procedures enclosed is allowed without the direct permission of the Chief Executive Officer.

The Quality Control Supervisor or designee is responsible for the proper and timely implementation of the quality system, and has been given the proper authority to ensure its continued success and effectiveness.

Sharon L. Harrup, Chief Executive Officer
STEPS, Inc.

Nancy Conner, Management Representative
STEPS, Inc.

STEPS, Inc.

HEALTH AND SAFETY
HANDBOOK

Farmville, VA

February 2004

HEALTH AND SAFETY HANDBOOK

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Introduction

STEPS, Inc. is committed to maintaining a safe environment for all staff, production workers, participants and others while using the STEPS facilities and equipment or while involved in any STEPS sponsored activity or program. But safety, as the old saying goes, is everybody's business.

These safety policies were developed to help us remember that maintaining a safe environment is an ongoing process. First, we have to prevent unsafe conditions and incidents. Then we must train ourselves to deal with emergencies and unsafe conditions if they occur. And finally, we look for unsafe conditions and incidents so that we can do something to prevent these conditions and/or incidents from happening again.

This handbook is for your use. It applies to all staff, production workers, participants, volunteers and temporary workers. If you have suggestions for changes or improvements in these policies, contact a member of the STEPS Safety Committee.

The STEPS Safety Committee and Its Responsibilities

This committee is made up of staff, production workers and participants from STEPS facilities. This committee meets four (4) to twelve (12) times a year to talk about health and safety problems and to come up with ways to solve problems.

The STEPS Safety Committee:

1. Schedules outside inspections of all STEPS facilities
2. Conducts self-inspections of all STEPS facilities
3. Sets up and carries out plans to deal with emergencies
4. Conducts fire drills, natural disaster drills, chemical spill drills, bomb threat tests
5. Provides training for staff, production workers, participants, volunteers and temporary workers
6. Reviews and makes changes to this Handbook
7. Follows through to correct health and safety problems
8. Publishes and posts reports about what the Safety Committee does

Your Responsibility When You Find Something Unsafe at STEPS, Inc.

If you see something unhealthy or unsafe at STEPS, like water on the floor, please wipe it up. Never walk past an unsafe condition; correct it on the spot, if you can.

If you can't take care of it yourself, tell your immediate supervisor or a member of the Safety Committee. (See names posted on the bulletin board at each facility).

If someone is sick or hurt, tell your immediate supervisor or someone trained in First Aid or CPR. (See names posted on the bulletin board at each facility).

Once you've taken care of the safety problem or have told someone about it, make sure it gets reported to the Chairman of the Safety Committee and the Human Resource Manager.

What to Do in Case of an Emergency

For some types of emergencies, like fires and bomb threats, it is your responsibility to get out of the building as fast and as safely as possible when you hear or see the alarm. If you see a fire in the building, tell your immediate supervisor right away. If you are in a room that has a door, close the door before you leave. Look for the red EXIT sign and go to the nearest door and calmly move out of the building. Do not return to the building until you have been given the "all clear" sign.

In case of a tornado, it is your responsibility to stay in the building in an area that is safe from the storm when you hear or see the alarm. Move calmly and quickly from your workstation to the tornado shelter in your building. If you don't know where to go, ask your supervisor.

Throughout the year, STEPS, Inc. gives you an opportunity to practice these drills.

First Aid Supplies

First aid supplies are located in all STEPS facilities. Look for a cross on the wall or cabinets to mark where supplies are located.

Fire Extinguishers

Fire extinguishers are located in all STEPS facilities, vans and cars. Know where the closest fire extinguisher is to your workstation. Keep the space in front of fire extinguishers clear so that you can get to them if you need to. If you need to use a fire extinguisher, follow the instructions on the front of the extinguisher or ask your supervisor for assistance.

Chemicals

Some jobs require that you use chemicals that could hurt you if they're not used right. These could be things like cleaning products, gasoline, etc. If you are working with any chemicals, ask your immediate supervisor about preventing problems or look for the MSDS sheets that are located at each STEPS facility. These sheets will tell you how to use the chemical safely and what to do if the chemical is used incorrectly.

Personal Protective Equipment

Personal protective equipment such as rubber gloves, facemasks, goggles and other items are located in all STEPS facilities. These items are to be used when cleaning up, giving CPR or rendering first aid. Ask you immediate supervisor where to find these things and how to use them if needed.

Reporting Accidents

If you see any accident or see someone hurt, report it to your immediate supervisor right away. If you witnessed the accident, you may be asked to complete a Witness' Report of Accident Form.

Trash and Recycling

Each STEPS facility has two containers located in the lunch room. One container is for trash and the second container is for aluminum (soda) cans. Make sure that you throw discarded items in the proper containers.

Snow and Ice Removal

STEPS, Inc. tries to keep snow and ice off of sidewalks and parking lots. If you see a slippery spot, tell your immediate supervisor. In general, be extra careful when moving around outside in snowy/icy weather.

Repairs

If you see anything that needs repair, such as machinery, tools, the building, etc., tell your immediate supervisor right away.

If a piece of machinery has a lock or tag on it, the equipment has been locked out or tagged out. Do not remove the lock or tag under any circumstances. If you have questions about the condition of the equipment ask your immediate supervisor.

Your Responsibility for Health and Safety

Any employee who carelessly causes an injury or accident to him/herself or others may be disciplined. This could include a written notice in your personnel file, suspension from work or even termination.

General Safety Rules

- Before starting a job or using a machine, be sure that you understand how it works. If you don't know, ask your immediate supervisor for instructions and then follow the instructions carefully.
- Do not operate any machine or equipment that has not been assigned to you by your immediate supervisor.
- Do not remove, change or adjust any guard or safety device on any machine. Report any guards or safety devices that are not on machines to your immediate supervisor.
- Do not use, change or repair any machine or other equipment that is not in safe working condition or that has been locked/tagged out. Let your immediate supervisor know right away if equipment is out of order or doesn't work right.
- Report any unsafe conditions to your supervisor immediately.
- Report all injuries, suspected injuries, vehicle accidents, fires, chemical spills and property damage to your supervisor immediately.
- Do not put your fingers, hands or feet into dangerous areas when operating any machine. Use tools and machines only the way you were taught to use them.
- Use protective equipment, like goggles, hard hats, facemasks, earplugs, protective clothes, breathing devices, on all jobs and work areas the Safety Committee has indicated can be dangerous.
- Wear clothes that are right for the job that you are doing. Never wear loose clothes or shoes, rings, neckties, wristwatches, shorts, open-toed shoes or other clothes that could be dangerous on your particular job.
- Do not use compressed air for dusting clothes, hair, face or hands.
- When you lift heavy things or persons, bend your knees, keep your back straight, and lift with your legs. Ask for help when the load is too heavy.
- Keep all aisles and working areas neat, clean and easy to get to.
- Learn about the chemicals that you may work with; some may be dangerous. Store, use and throw away all chemicals that burn and other dangerous materials in special containers. Keep things that burn away from furnaces and heaters.

- Do not ride on any hand trucks.
- Do not operate mobile equipment (i.e., forklifts, etc.) without training. Only the driver should ride on a forklift.
- Wear seat belts while operating all vehicles equipped with seat belts.
- Do not distract the attention of others. Scuffling, horseplay and practical jokes are unsafe.
- Follow STEPS smoking policy and smoke in designated smoking areas.
- Tell your immediate supervisor if you are not physically able to work due to sickness.
- After using tools, clean them and place them back in their proper storage place.
- Keep your medication in a safe place and take only as prescribed. Do not give any medication to others.
- Do not leave cords, hoses, ropes, etc. on the floor or sidewalk where someone might trip over them.
- Do not bring beer, alcohol or illegal drugs to work with you or use them on the job.
- Do not bring knives, guns, fireworks or other weapons to work with you.
- Do not drive vehicles if you do not have a license to drive them.
- Keep your work area clean and safe.
- Wash your hands after using the bathroom and before and after eating.

STEPS Inc.

**Accounting & Financial
Policies and Procedures
Manual**

Pending Super Circulum Information

INTRODUCTION

The following accounting manual is intended to provide an overview of the accounting policies and procedures applicable to STEPS Inc., which shall be referred to as "STEPS" throughout this manual.

STEPS is incorporated in the state of Virginia. STEPS is exempt from federal income taxes under IRC Section 501©(3) as a nonprofit corporation. STEPS' tax-exempt mission is "Strengthening Individual, Family and Community Development."

This manual shall document the financial operations of STEPS. Its primary purpose is to formalize accounting policies and selected procedures for the accounting staff and to document internal controls.

The contents of this manual have been approved as official policy of STEPS by the Board, President & CEO and Chief Finance Officer. All STEPS staff are bound by the policies herein, and any deviation from established policy is prohibited.

Dated: Approved by the Board xxxxxxxxxxxxxxxxxxxxxxxxxxxx

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ORGANIZATIONAL STRUCTURE

The Role of the Board of Directors

STEPS is governed by its Board of Directors, which is responsible for the oversight of STEPS by:

1. Planning for the future
2. Establishing broad policies
3. Identifying and proactively dealing with emerging issues
4. Interpreting STEPS' mission to the public
5. Soliciting prospective contributors
6. Contracting for the President & CEO
7. Approve annual budget and periodically assess financial performance
8. Review audit findings and management letter

The Board is responsible for hiring and periodically evaluating STEPS' President & CEO, who shall be responsible for the day-to-day oversight and management of STEPS.

Committee Structure

The Board of Directors shall form committees in order to assist the Board in fulfilling its responsibilities. These committees represent vehicles for parceling out the Board's work to smaller groups, thereby removing the responsibility for evaluating all of the details of particular issues from the full Board's consideration. Standing Board-level committees of STEPS consist of the following:

1. Executive/Planning Committee
2. Finance/Audit Committee
3. By-laws and Nominating Committee
4. Personnel Committee

Specific guidelines regarding the composition and election of the Board of Directors and committees are described in the STEPS by-laws. However, roles of committees with direct responsibilities for the financial affairs of STEPS are further described in this manual. These committees shall be referred to in appropriate sections of this manual.

Finance/Audit Committee Responsibilities

The Finance/Audit Committee is responsible for direction and oversight regarding the overall financial management of STEPS. Functions of the Finance/Audit Committee include:

- Review and recommendation of STEPS' annual budget (prepared by the CFO) for final approval by the full board
- Long-term financial planning
- Establishment of investment policy and monitoring investment performance
- Evaluation and approval of facilities decisions (i.e. leasing, purchasing property)
- Monitoring actual vs. budgeted financial performance
- Oversight of reserve funds

The Finance/Audit Committee is responsible for approving the hiring of an independent CPA firm and for directly communicating with the CPA firm to fulfill the requirement for an annual audit, as described in STEPS' by-laws. The Finance/Audit Committee shall also review and approve the final audited financial statements, as well as any communications received from the auditor regarding internal controls, illegal acts, or fraud and make recommendations to the full board.

The Finance/Audit Committee also serves as the primary point of contact for any employee who suspects that fraud has been committed against STEPS or by one of its employees or Board members.

The Roles of the President & CEO and Staff

The Board of Directors hires the President & CEO, who reports directly to the Board of Directors. The President & CEO is responsible for hiring and evaluating program managers for each of STEPS' programs. Each program manager reports to the President & CEO.

Program managers are required to work with our President & CEO for personnel issues within their programs. All employees within a program shall report directly to that program's manager.

FINANCE DEPARTMENT OVERVIEW

Organization

The finance department consists of one staff and one director. The finance department is responsible for managing and processing financial information for STEPS. The positions comprising the Finance Department of STEPS are as follows:

- Chief Financial Officer
- Financial Assistant

Other officers and employees of STEPS who have financial responsibilities are as follows:

- President & CEO
- Program Managers
- Treasurer - Board-Level
- Finance Committee
- Executive Committee
- Full Board of Directors

Responsibilities

The primary responsibilities of the finance department consist of:

- General Ledger
- Budgeting
- Cash and Investment Management
- Asset Management
- Monitoring Financial Aspects of Grants and Contracts
- Grants Receivable and Billing
- Cash Receipts
- Accounts Payable
- Cash Disbursements
- Payroll and Benefits
- Financial Statement Processing
- External Reporting of Financial Information
- Bank Reconciliation
- Reconciliation of Sub-ledgers
- Compliance with Government Reporting Requirements
- Annual Audit
- Insurance

FRAUD POLICY

Scope

This policy applies to any fraud or suspected fraud involving employees, officers or directors, as well as members, vendors, consultants, contractors, funding sources and/or any other parties with a business relationship with STEPS. Any investigative activity required will be conducted without regard to the suspected wrongdoer's length of service, position/title, or relationship with STEPS.

Policy

Management is responsible for the detection and prevention of fraud, misappropriations, and other irregularities. Fraud is defined as the intentional, false representation or concealment of a material fact for the purpose of inducing another to act upon it to his or her injury. Each member of the management team will be familiar with the types of improprieties that might occur within his or her area of responsibility, and be alert for any indication of irregularity.

Any fraud that is detected or suspected must be reported immediately to the President & CEO or, alternatively, to the Chair of the STEPS Finance Committee, who coordinates all investigations.

Actions Constituting Fraud

The terms fraud, defalcation, misappropriation, and other fiscal irregularities refer to, but are not limited to:

1. Any dishonest or fraudulent act
2. Forgery or alteration of any document or account belonging to STEPS
3. Forgery or alteration of a check, bank draft, or any other financial document
4. Misappropriation of funds, securities, supplies, equipment, or other assets of STEPS
5. Impropriety in the handling or reporting of money or financial transactions
6. Disclosing confidential and proprietary information to outside parties
7. Accepting or seeking anything of material value from contractors, vendors, or persons providing goods or services to STEPS. Exception: gifts less than \$50 in value.
8. Destruction, removal or inappropriate use of records, furniture, fixtures, or equipment
9. Any similar or related irregularity

Other Irregularities

Irregularities concerning an employee's moral, ethical, or behavioral conduct should be resolved by the departmental management and the President & CEO. If there is a question as to whether an action constitutes fraud, contact the Chief Financial Officer or the Chair of the Finance Committee for guidance.

Investigation Responsibilities

The Finance Committee has the primary responsibility for the investigation of all suspected fraudulent acts as defined in the policy. The Finance Committee may utilize whatever internal and/or external resources it considers necessary in conducting an investigation. If an investigation substantiates that fraudulent activities have occurred, the Finance Committee will issue reports to appropriate designated personnel and, if appropriate, to the STEPS Board of Directors and/or the Executive Committee.

Decisions to prosecute or refer the examination results to the appropriate law enforcement and/or regulatory agencies for independent investigation will be made in conjunction with legal counsel and senior management.

If suspected fraud or other wrongdoing involves programs funded in whole or in part with federal funds, additional responsibilities, such as special reporting and disclosure to the awarding agency, may apply to STEPS. It is the policy of STEPS to fully comply with all additional reporting, disclosure and other requirements pertaining to suspected acts of fraud as described in award documents.

Confidentiality

The Finance Committee and the Chief Financial Officer treat all information received confidentially. Any employee who suspects dishonest or fraudulent activity will notify the Chief Finance Officer or the Finance Committee Chair immediately, and should not attempt to personally conduct investigations or interviews/interrogations related to any suspected fraudulent act (see Reporting Procedures section). The Finance Committee has the authority to conduct closed meetings to discuss such matters.

Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect STEPS from potential civil liability.

Authority for Investigation of Suspected Fraud

Members of the STEPS Finance Committee will have:

1. Free and unrestricted access to all STEPS records and premises, whether owned or rented; and
2. The authority to examine, copy, and/or remove all or any portion of the

contents of files, desks, cabinets, and other storage facilities on the premises without prior knowledge or consent of any individual who may use or have custody of any such items or facilities when it is within the scope of their investigations.

Reporting Procedures

Great care must be taken in the investigation of suspected improprieties or irregularities so as to avoid mistaken accusations or alerting suspected individuals that an investigation is under way. An employee who discovers or suspects fraudulent activity will contact the Chief Financial Officer or the Chair of the Finance Committee immediately. The employee or other complainant may remain anonymous. All inquiries concerning the activity under investigation from the suspected individual(s), his or her attorney or representative(s), or any other inquirer should be directed to the Finance Committee or legal counsel. No information concerning the status of an investigation will be given out. The proper response to any inquiry is "I am not at liberty to discuss this matter." Under no circumstances should any reference be made to "the allegation", "the crime", "the fraud", "the forgery", "the misappropriation", or any other specific reference.

The reporting individual should be informed of the following:

1. Do not contact the suspected individual in an effort to determine facts or demand restitution.
2. Do not discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by the STEPS legal counsel or the Finance Committee.

DATA BACKUP AND RECOVERY POLICIES

STEPS implements a full backup system using a short and long term data loss prevention plan.

SHORT TERM DATA LOSS PREVENTION:

Being
Developed

LONG TERM DATA LOSS PREVENTION:

Being
Developed

SECURITY

Finance Department

The STEPS' corporate seals and blank check stock shall be stored in a fireproof file cabinet in the file storage room of the Finance Department. This cabinet will be locked with a key that is kept in the Finance Department. Access to this file cabinet shall be with keys in the possession of the Chief Financial Officer, the Financial Assistant and the President & CEO.

Petty cash is stored in a drawer locked with a key. Finance Department staff and the President & CEO will be the only employees with keys to the petty cash drawer.

Authorized signatures and/or access personnel for bank, payroll and purchase related expenses will be updated by the President & CEO or his directive on the last day of the individual's employment or position with the Board.

Access to Electronically Stored Accounting Data

It is the policy of STEPS to utilize passwords to restrict access to accounting software and data. Only duly authorized finance personnel with data input responsibilities will be assigned passwords that allow access to the system.

Finance personnel are expected to keep their passwords secret and to change their passwords on a regular basis, no less frequently than quarterly. Administration of passwords shall be performed by a responsible individual independent of programming functions.

Each password enables a user to gain access to only those software and data files necessary for each employee's required duties.

General Office Security

During normal business hours, all visitors are greeted by available staff. After hours, a security card is required for access to the offices of STEPS. Key cards are issued only to employees of STEPS and are submitted to appropriate personnel upon their dismissal. After 4:30 in the evening and before 8:00 in the morning, the main door to the building requires a key card for entry as well.

GENERAL LEDGER AND CHART OF ACCOUNTS

The general ledger is defined as a group of accounts that supports the information shown in the major financial statements. The general ledger is used to accumulate all financial transactions of STEPS and is supported by subsidiary ledgers that provide details for certain accounts in the general ledger. The general ledger is the foundation for the accumulation of data and reports

Chart of Accounts Overview

The chart of accounts is the framework for the general ledger system, and therefore the basis for STEPS' accounting system. The chart of accounts consists of account titles, account numbers assigned to the titles, program codes, department codes and location codes. General ledger accounts are used to accumulate transactions and the impact of these transactions on each asset, liability, net asset, revenue, expense and gain and loss account. STEPS' chart of accounts is comprised of six types of accounts:

1. Assets
2. Liabilities
3. Net Assets
4. Revenues
5. Expenses
6. Gains and Losses

Distribution of Chart of Accounts

All STEPS employees involved with account coding responsibilities (assignment or review of coding) or budgetary responsibilities will be issued a current chart of accounts. As the chart of accounts is revised, an updated copy of the chart of accounts shall be promptly distributed to these individuals.

Control of Chart of Accounts

STEPS' chart of accounts is monitored and controlled by the Chief Financial Officer. Responsibilities include the handling of all account maintenance, such as additions and deletions. Any additions or deletions of accounts should be approved by the Chief Financial Officer, who ensures that the chart of accounts is consistent with the organizational structure of STEPS and meets the needs of each division and department.

Account Definitions

General Ledger

<u>Account Range</u>	<u>Category</u>
1000 - 1999	Assets

Assets are probable future economic benefits obtained or controlled by STEPS as a result of past transactions or events. Assets of STEPS are classified as current assets, fixed assets, contra-assets, and other assets.

Current assets are assets that are available or can be made readily available to meet the cost of operations or to pay current liabilities. Some examples are cash, temporary investments, and receivables that will be collected within one year of the statement of financial position date.

Fixed assets are tangible assets with a useful life of more than one year that are acquired for use in the operation of STEPS and are not held for resale.

Other assets include long-term assets that are assets acquired without the intention of disposing them in the near future. Some examples are security deposits, property and long-term investments.

2000 - 2999	Liabilities
-------------	-------------

Liabilities are probable future sacrifices of economic benefits arising from present obligations of STEPS to transfer assets or provide services to other entities in the future as a result of past transactions or events. Liabilities of STEPS are classified as current or long-term.

Current liabilities are probable sacrifices of economic benefits that will likely occur within one year of the date of the financial statements or which have a due date of one year or less. Common examples of current liabilities include accounts payable, accrued liabilities, short-term notes payable, and deferred revenue.

Long-Term Liabilities are probable sacrifices of economic benefits that will likely occur more than one year from the date of the financial statements. An example is the non-current portion of a mortgage loan.

3000 - 3999	Net Assets
-------------	------------

Net Assets is the difference between total assets and total liabilities. See the next section for STEPS' policies on classifying net assets.

4000 - 4999	Revenues, Gains or Losses
-------------	---------------------------

Revenues are inflows or other enhancements of assets, or settlements of liabilities, from delivering or producing goods, rendering services, or other activities that constitute an organization's ongoing major or central operations. Revenues of STEPS currently include contributions received from donors and grants received from government agencies, private foundations and corporations. Gains or losses are infrequent occurrences and are included with

this section.

Losses are decreases in net assets from peripheral or incidental transactions and from all other transactions and other events and circumstances affecting STEPS except those that result from expenses.

Gains or losses occur when STEPS sells a fixed asset or writes off as worthless a fixed asset with remaining book value.

5000 - 5999 Expenses

Expenses are outflows or other consumption of assets or incurrence of liabilities from delivering or producing goods, rendering services, or carrying out other activities that constitute STEPS' ongoing major or central operations.

Classification of Net Assets

Net assets of STEPS are classified based upon the existence or absence of donor-imposed restrictions as follows:

Unrestricted Net Assets - Net assets that are not subject to donor imposed stipulations.

Temporarily Restricted Net Assets - Net assets subject to donor imposed stipulations that may or will be satisfied through the actions of STEPS and/or the passage of time.

Permanently Restricted Net Assets - Net assets subject to donor imposed stipulations that STEPS permanently maintain certain contributed assets. Generally, donors of such assets permit STEPS to use all or part of the income earned from permanently restricted net assets for general operations or for specific purposes.

Net assets accumulated by STEPS that are not subject to donor imposed restrictions, but which the Board of Directors of STEPS has earmarked for specific uses, shall be segregated in the accounting records as "board-designated" funds within the unrestricted category of net assets.

Changes to the Chart of Accounts

Additions to, deletions from, or any other changes to STEPS' standard chart of accounts shall only be done with the approval of the Chief Financial Officer.

Fiscal Year of Organization

STEPS shall operate on a fiscal year that begins on July 1st and ends on June 30th. Any changes to the fiscal year of STEPS must be ratified by majority vote of STEPS' Board of Directors.

Journal Entries

All general ledger entries that do not originate from a subsidiary ledger shall be supported by journal vouchers or other documentation, which shall include a reasonable explanation of each such entry.

Examples of such journal entries include:

- Recording of non-cash transactions
- Corrections of posting errors
- Month end adjusting entries for allocations
- Non-recurring accruals of income and expenses

Certain journal entries, called recurring journal entries, occur in every accounting period. These entries may include, but are not limited to:

1. Depreciation of fixed assets
2. Amortization of prepaid expenses
3. Accretion of credits on loan balances
4. Accruals of recurring expenses
5. Amortization of deferred revenue

Support for recurring journal entries shall be in the form of a schedule associated with the underlying asset or liability account or, in the case of short-term recurring journal entries or immaterial items, in the form of a journal voucher.

It is the policy of STEPS that all journal entries not originating from subsidiary ledgers shall be reviewed by the Chief Financial Officer prior to posting and authorized by initialing or signing the entries.

POLICIES ASSOCIATED WITH REVENUES AND

CASH RECEIPTS

REVENUE

Revenue Recognition Policies

STEPS receives revenue from several types of transactions. Revenue from each of these types of transactions is recognized in the financial statements of STEPS in the following manner:

1. Grant income - Accrued based on incurrence of allowable costs (for cost reimbursement awards) or based on other terms of the award (for fixed price, unit-of-service, and other types of awards)
2. Contributions - Recognized as income when received, unless accompanied by restrictions or conditions (see the next section on contribution income)
3. Rent income - Monthly transaction made upon receipt of cash
4. Client Fees - Client-paid fees for subsidized services
5. Cash received as in-kind is not recognized as match until the funds are used.

Immaterial categories of revenue may be recorded on the cash basis of accounting (i.e. recorded as revenue when received) as deemed appropriate by the Chief Financial Officer.

CONTRIBUTIONS RECEIVED

Definitions

The following definitions shall apply with respect to the policies described in this section:

Contribution - An unconditional transfer of cash or other assets to STEPS, or a settlement or cancellation of STEPS' liabilities, in a voluntary nonreciprocal transfer by another entity acting other than as an owner.

Condition - A donor-imposed stipulation that specifies a future and uncertain event whose occurrence or failure to occur gives the donor a right of return of the assets it has transferred to STEPS or releases the donor from their obligation to transfer its assets.

Restriction - A donor-imposed stipulation that specifies a use for the contributed asset that is more specific than broad limits resulting from the nature of STEPS, the environment in which it operates, and the purposes specified in STEPS' articles of incorporation and bylaws. Restrictions on STEPS' use of an asset may be temporary or permanent.

Nonreciprocal Transfer - A transaction in which an entity incurs a liability or transfers assets to STEPS without directly receiving value from STEPS in exchange.

Promise to Give - A written or oral agreement to contribute cash or other assets to STEPS.

Exchange Transaction - A reciprocal transaction in which STEPS and another entity each receive and sacrifice something of approximately equal value.

Distinguishing Contributions from Exchange Transactions

STEPS receives income in the form of contributions, revenue from exchange transactions, and income from activities with characteristics of both contributions and exchange transactions. STEPS shall consider the following criteria, and any other relevant factors, in determining whether income will be accounted for as contribution income, exchange transaction revenue, or both:

1. STEPS' intent in soliciting the asset, as stated in the accompanying materials;
2. The expressed intent of the entity providing resources to STEPS "i.e. does the resource provider state its intent is to support STEPS' programs or that it anticipates specified benefits in exchange?);
3. Whether the method of delivery of the asset is specified by the resource provider (exchange transaction) or is at the discretion of STEPS (contribution);
4. Whether payment received by STEPS is determined by the resource provider (contribution) or is equal to the value of the assets/services provided by STEPS, or the cost of those assets plus a markup (exchange transaction);
5. Whether there are provisions for penalties (due to nonperformance) beyond the amount of payment (exchange transaction) or whether penalties are limited to the delivery of assets already produced and return of unspent funds (contribution); and
6. Whether assets are to be delivered by STEPS to individuals or organizations other than the resource provider (contribution) or whether they are delivered directly to the resource provider or to individuals or organizations closely connected to the resource provider.

Accounting for Contributions

STEPS shall recognize contribution income in the period in which STEPS receives restricted or unrestricted assets in nonreciprocal transfers, or unconditional promises of future nonreciprocal asset transfers, from donors. Contribution income shall be classified as increases in unrestricted, temporarily restricted, or permanently restricted net assets based on the existence or absence of such restrictions.

Unconditional promises to give shall be recorded as assets and increases in temporarily restricted net assets (contribution income) of STEPS in the period that STEPS receives evidence that a promise to support STEPS has been made. Unconditional promises to give that are to be collected within one year shall be recorded at their face value, less any reserve for uncollectible promises, as estimated by management. Unconditional promises to give that are collectible over time periods in excess of one year shall be recorded at their discounted net present value. Accretion of discount on such promises to give shall be recorded as contribution

income in each period leading up to the due date of the promise to give. The interest rate that shall be used in calculating net present values of unconditional promises to give is the risk-free rate of return available to STEPS at the time STEPS receives a promise from a donor.

When the final time or use restriction associated with a contributed asset has been met, a reclassification between temporarily restricted and unrestricted net assets shall be recorded.

When it receives support in the form of volunteer labor, STEPS shall record contribution income and assets or expenses if one of the following two criteria is met:

1. The contributed service creates or enhances a nonfinancial asset (such as a building or equipment), or
2. The contributed service possesses all three of the following characteristics:
 - a. It is the type of service that would typically need to be purchased by STEPS if it had not been contributed,
 - b. It requires specialized skills (i.e. formal training in a trade or profession), and
 - c. It is provided by an individual possessing those specialized skills.

Examples of contributed services received and recorded as income and expense by STEPS include volunteer labor in support of client needs, such as carpentry, painting, childcare or transportation, consultative educational and administrative services, legal services, real estate appraisals, etc.

Contributed services that meet one of the two preceding criteria shall be recorded at the fair market value of the service rendered. In the case of time or unskilled labor donated by parents and family members of clients, or community volunteers, fair market value shall be the rate of pay, plus benefits, The intern is paid using the lowest paid staff member of STEPS. Other volunteer time is calculated using the Federal rate.

Receipts and Disclosures

STEPS and its donors are subject to certain disclosure and reporting requirements imposed under the Internal Revenue Code and the underlying Regulations. To comply with those rules, STEPS shall adhere to the following guidelines with respect to contributions received by STEPS.

For any separate contribution received by STEPS, it shall provide a receipt to the donor. All receipts prepared by STEPS shall include the following information:

1. The amount of cash received and/or a description (but not an assessment of the value) of any non-cash property received;
2. A statement of whether STEPS provided any goods or services to the donor in consideration, in whole or in part, for any of the cash or property received by STEPS from the donor; and

3. If any goods or services were provided to the donor by STEPS, a description and good faith estimate of the value of those goods or services.

When STEPS receives cash in excess of \$75, or non-cash property with a value in excess of \$75, as part of a quid pro quo transaction, STEPS shall follow additional disclosure procedures. For purposes of this paragraph, a "quid pro quo" transaction is one in which STEPS receives cash or property in a transaction that is part contribution and part exchange transaction (i.e. the value of the goods or services provided to the donor by STEPS is less than the value of cash or property provided by the donor). In such instances, STEPS shall provide to the donor a receipt stating that only the amount contributed in excess of the fair market value of the goods or services provided by STEPS may be deducted as a charitable contribution. The receipt shall also include a good-faith estimate of the fair market value of the goods or services provided to the donor by STEPS. IRS rules provide for certain exceptions to the preceding disclosure rules applicable to quid pro quo transactions.

It is the policy of STEPS to comply with all current federal and state rules regarding solicitation and collection of charitable contributions, whether specifically addressed in this manual or not, as well as all future revisions to those rules.

BILLING/INVOICING POLICIES

The following is a list of items billed and/or accrued and received by STEPS and the frequency with which each is billed:

Annual Billings

1. Counties contributing less than \$5,000 per year

Quarterly Billings

1. Grants and contracts (See separate section on "Policies Associated with Federal Awards" for billing policies associated with federal grant agreements)

Monthly Billings

1. Client loan repayment billings

Responsibilities for Billing and Collection

STEPS' Finance Department is responsible for the invoicing of goods and services as well as the collection of outstanding receivables. Guidelines of the lender are followed for billing and collection efforts made by STEPS. Billing and collections that are specifically related to a program are handled directly by those working in

the program.

Classification of Income and Net Assets

All income received by STEPS is classified as "unrestricted", with the exception of the following:

1. Grants and other awards received from government agencies or other grantors, which are classified as temporarily restricted
2. Special endowments received from donors requesting that these funds be permanently restricted for specific purposes

From time to time, STEPS may raise other forms of contribution income which carry stipulations that STEPS utilize the funds for a specific purpose or within a specified time period identified by the donor of the funds. When this form of contribution income is received, STEPS shall classify this income as Temporarily Restricted income.

As with all Temporarily Restricted net assets, when the restriction associated with a contribution has been met (due to the passing of time or the use of the resource for the purpose designated by the donor), STEPS will reclassify the related net assets from "Temporarily Restricted" to "Unrestricted" in its Statement of Financial Position and reflect this reclassification as an activity in its Statement of Activities.

From time to time, the STEPS Board of Directors may determine that it is appropriate to set funds aside for specific projects. To the extent these set-asides result from a Board action, rather than a donor-imposed requirement, the resulting set-aside shall be classified as "unrestricted". However, to identify these funds as being set aside for special projects, such set-asides shall be labeled "Board-Designated" funds within the unrestricted net assets of STEPS, and shall be reported as a separate component of unrestricted net assets on the STEPS financial statements.

CASH RECEIPTS

Overview

Cash (including checks payable to STEPS) is the most liquid asset an organization has. Therefore, it is the objective of STEPS to establish and follow the strongest possible internal controls in this area.

Processing of Checks Received in the Mail

For funds that are received directly at STEPS, cash receipts are centralized to ensure that cash received is appropriately directed, recorded and deposited on a timely basis.

Mail is opened by the finance assistant, checks received are immediately endorsed "For Deposit Only" and

Leave Blank for Rework

Cash Deposited Electronically

Reimbursements received from Federal, State and most private agencies are deposited electronically into our bank account. A notification of payment is sent via email to both the finance assistant and the CFO.

Leave Blank for Rework

GRANTS & ACCOUNTS RECEIVABLE MANAGEMENT

STEPS processes the accounts receivable and collections for the Department of Housing. Rental Income is recognized as cash and revenue when a payment is received.

STEPS also processes receivables and collections for the USDA Rural Development Grant. All financial information for the individual clients including loan balances, receivables and payments is maintained using a separate loan software package designed specifically for tracking payments and issuing reports to appropriate lending agencies. The cash transactions related to these loans are also recorded in our accounting software as cash and revenue when received.

Credits and Other Adjustments to Accounts Receivable

From time to time, credits against accounts receivable from transactions other than payments, amounts forgiven and bad debts will occur. Examples of other credits include adjustments for billing errors. All credits shall be processed by an employee who is independent of the cash receipts function. In addition, all credits shall be authorized by the Chief Financial Officer in consultation with the program manager.

Accounts Receivable Write-Off Authorization Procedures

It is the policy of STEPS to ensure that all available means of collecting accounts receivable have been exhausted before write-off procedures are initiated. Write-offs are initiated by the Program Manager associated with the amount to be written off, in conjunction with the Finance Department. If an account receivable is deemed uncollectible, approval by the Chief Financial Officer is required before the write-off is processed.

Once a write-off has been processed, appropriate individuals in the originating department are to be advised to ensure that further credit is not granted and to update the master list of bad accounts. Customers listed as poor credit risks will be extended future credit only if the back debt is paid and the customer is no longer deemed a collection problem.

If write-off procedures have been initiated, the following accounting treatment applies:

1. Current year invoices that are written off will either be charged against an appropriate revenue or revenue adjustment account or against the original account credited.
2. Invoices written off that are dated prior to the current year will be treated as bad debt and will reduce the allowance for doubtful accounts, discussed in the next section.

Reserve for Uncollectible Accounts

It is not currently the policy of STEPS to maintain a reserve for uncollectible accounts receivable within the accounting software. At the end of each fiscal year, the decision is made to adjust off account balances in the loan software based on the following factors:

1. An analysis of outstanding, aged accounts receivable
2. Historical collection and bad debt experience

Grants Receivable

Grants receivable are recorded in the accounting software when the reimbursement invoice is prepared and sent to the funding agency. As the money is received (generally electronically) the receivable account is credited. This allows STEPS to maintain tight control over outstanding receivable balances.

POLICIES ASSOCIATED WITH EXPENDITURES AND DISBURSEMENTS

THE POLICIES DESCRIBED IN THIS SECTION APPLY TO ALL PURCHASES MADE BY STEPS. ADDITIONAL POLICIES APPLICABLE ONLY TO THOSE PURCHASES MADE UNDER FEDERAL AWARDS ARE DESCRIBED IN THE SECTION "POLICIES ASSOCIATED WITH FEDERAL AWARDS."

Non-Discrimination Policy

All vendors/contractors who are the recipients of organization funds, or who propose to perform any work or furnish any goods under agreements with STEPS shall agree to these important principles:

1. Vendors/Contractors will not discriminate against any employee or applicant for employment because of race, religion, color, sexual orientation or national origin, except where religion, sex, or national origin is a bona fide occupational qualification reasonably necessary to the normal operation of the vendors/contractors.
2. Vendors/contractors agree to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause. Notices, advertisement and solicitations placed in accordance with Federal law, rule or regulation shall be deemed sufficient for meeting the intent of this section.

It is the policy of STEPS to follow a practice of ethical, responsible and reasonable procedures related to purchasing, agreements and contracts, and related forms of commitment. The policies in this section describe the principles and procedures that all staff shall adhere to in the completion of their designated responsibilities.

Responsibility for Purchasing

All program managers shall have the authority to initiate requisitions for supplies and/or services on behalf of their program, within the guidelines described in this policies manual.

The Finance Department shall be responsible for approving the requisitions and issuing processing orders. The President & CEO and/or the Chief Financial Officer has approval authority over all purchases and contractual commitments as defined in this policy. The Chief Financial Officer shall make the final determination on any proposed purchases where budgetary or other conditions may result in denial.

Use of Vouchers

It is the policy of STEPS to utilize a voucher system. A properly completed voucher shall be required for each program purchase decision (i.e. total amount of goods and services requested, not unit cost) in excess of \$50, with the exception of expense reimbursements, which require the preparation of a separate form described elsewhere in this manual. A properly completed voucher shall contain the following information, at a minimum:

1. Specifications or statement of services required

2. Vendor name, address, point of contact and phone number
3. Source of funding (if applicable)
4. Delivery or performance schedules
5. Delivery, packing and transportation requirements
6. Special conditions (if applicable)
7. Catalog number, page number, etc. (if applicable)
8. Net price per unit, less discount, if any
9. Total amount of request
10. Authorized signature
11. Date Voucher prepared

Vouchers will be prepared by the Program Manager and reviewed with the Finance Department for approval or denial.

All contracts between STEPS and outside parties must be reviewed and approved by the Program Manager or Chief Financial Officer, as well as the President & CEO. The President & CEO is authorized to enter into any contract on behalf of STEPS. These policies shall also apply to renewals of existing contracts.

All purchases of XXXXXX or more require the written approval of either the President & CEO or COO.

Required Solicitation of Quotations from Vendors

Purchase decisions exceeding \$1500???????? for labor, equipment, supplies or services purchased, leased or contracted for shall be made only after receiving, whenever possible, written quotations from at least two (2) vendors. Specific selections shall be recommended, via the Department Directors, to the Chief Financial Officer for approval with written quotations attached for review.

Recommendations shall be based on consideration of all applicable criteria as described under "Evaluation of Alternative Vendors" below.

All Purchase decisions of \$5,000 or more shall be made by obtaining competitive proposals from at least three (3) responsible vendors. Sealed bids shall be utilized when required by a Federal awarding agency.

Solicitations for goods and services (requests for proposals) should provide for all of the following:

1. A clear and accurate description of the technical requirements for the material, product or service to be procured. In competitive procurements, such a description shall not contain features, which unduly restrict competition.
2. Requirements which the bidder/offeror must fulfill and all other factors to be used in evaluating bids or proposals (see the next section entitled "Evaluation of Alternative Vendors" for required criteria)
3. A description, whenever practicable, of technical requirements in terms of functions to be performed or performance required, including the range of acceptable characteristics or minimum acceptable standards.

4. The specific features of "brand name or equal" descriptions that bidders are required to meet when such items are included in the solicitations.
5. The acceptance, to the extent practicable and economically feasible, of products and services dimensioned in the metric system of measurement.
6. Preference, to the extent practicable and economically feasible, for products and services that conserve natural resources and protect the environment and are energy efficient.
7. A description of the proper format, if any, in which proposals must be submitted, including the name of the STEPS person to whom proposals should be sent.
8. The date by which proposals are due.
9. Required delivery or performance dates/schedules.
10. Clear indications of the quantity requested and unit(s) of measure.

Extensions of Due Dates and Receipt of Late Proposals

Solicitations should provide for sufficient time to permit the preparation and submission of offers before the specified due date. However, in the event that a prospective offeror requests an extension to a due date specified in a solicitation, and such an extension is both justified and compatible with the requirements of STEPS, an extension may be granted by the purchasing representative. Vendor proposals are considered late if received after the due date and time specified in the solicitation. All such late proposals shall be marked "Late Proposal" on the outside of the envelope and retained, unopened, in the procurement folder. Vendors that submit late proposals shall be sent a letter notifying them that their proposal was late and could not be considered for award.

Evaluation of Alternative Vendors

Alternative vendors shall be evaluated on a weighted scale that considers the following criteria:

1. Adequacy of the proposed methodology of the vendor
2. Skill and experience of key personnel
3. Demonstrated company experience
4. Other technical specifications (designated by department requesting proposals)
5. Compliance with administrative requirements of the request for proposal (format, due date, etc.)
6. Vendor's financial stability
7. Vendor's demonstrated commitment to the nonprofit sector
8. Results of communications with references supplied by vendor
9. Ability/commitment to meeting time deadlines
10. Cost
11. Minority- or women-owned business status of vendor
12. Other criteria (to be specified by department requesting proposal)

Not all of the preceding criteria may apply in each purchasing scenario. However, in each situation requiring consideration of alternative vendors, the department responsible for the purchase shall establish the relative importance of each criterion prior to requesting proposals and shall evaluate each proposal on the basis of the

criteria and weighting that have been determined.

After a vendor has been selected and approved by the department director, the final selection shall be approved by the President & CEO prior to entering into a contract.

Affirmative Consideration of Minority, Small Business and Women-Owned Businesses

Positive efforts shall be made by STEPS to utilize small businesses, minority-owned firms, and women's business enterprises, whenever possible. The following steps shall be taken in furtherance of this goal:

1. Ensure that small business, minority-owned firms, and women's business enterprises are used to the fullest extent practicable.
2. Make information on forthcoming opportunities available and arrange time frames for purchases and contracts to encourage and facilitate participation by small business, minority-owned firms and women's business enterprises.
3. Consider in the contract process whether firms competing for larger contracts tend to subcontract with small businesses, minority-owned firms and women's business enterprises.
4. Encourage contracting with consortiums of small businesses, minority owned firms and women's business enterprises when a contract is too large for one of these firms to handle individually.
5. Use the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Department of Commerce's Minority Business Development Agency in the minority-owned firms and women's business enterprises.

Special Purchasing Conditions

Emergencies:

Where equipment, materials, parts, and/or services are needed, quotations will not be necessary if the health, welfare, safety, etc., of staff and protection of Organization property is involved.

Single Distributor/Source:

Where there is only one (1) distributor for merchandise needed and no other product meets the stated needs or specifications, quotations will not be necessary.

Federally-Funded Programs:

Purchases that will be charged to programs funded with federal awards will be subject to additional policies. These policies are described in a separate section, "Policies Associated With Federal Awards."

Vendor Files and Required Documentation

The Finance Department shall create a vendor folder for each new vendor from whom STEPS purchases goods or services. --

Upon making the initial purchase from any vendor identified by the Internal Revenue Service as providing services requiring 1099 reporting, the Finance Department shall mail a blank Form W-9 to that vendor, along with a request for the vendor to complete and sign the W-9 or provide equivalent, substitute information and return it in the postage-paid envelope provided. Completed, signed Forms W-9 or substitute documentation shall be filed in each vendor's folder. Vendors who **do** not return a completed, signed Form W-9 or provide equivalent documentation shall be subject to the guidance of IRS Section 3406(b) requiring withholding of 28% from payment and submitted to the IRS. A Form 1099 will be issued at the end of each calendar year in accordance with the policies described in the section of this manual on "Government Returns." See the section on "Payroll and Related Policies" for guidance on determining whether a vendor should be treated as an employee.

Ethical Conduct in Purchasing

Ethical conduct in managing STEPS' purchasing activities is an absolute essential. Staff must always be mindful that they represent the Board of Directors and share a professional trust with other staff and the general membership.

Staff shall discourage the offer of, and decline, individual gifts or gratuities of value in any way that might influence the purchase of supplies, equipment, and/or services. Staff shall notify their immediate supervisor if they are offered such gifts. Gifts to STEPS, viewed as normal business incentives to obtain future organization-approved business such as for meeting sites, are acceptable donations.

Conflicts of Interest Prohibited

No officer, board member, employee, or agent of STEPS shall participate in the selection, award or administration of a contract or vendor if a real or apparent conflict of interest would be involved. Such a conflict would arise if an officer, Board Member, employee or agent, or any member of his/her immediate family, his/her spouse/partner, or an organization that employs or is about to employ any of the parties indicated herein, has a financial or other interest in the vendor selected.

Officers, Board Members, employees and agents of STEPS shall neither solicit nor accept gratuities, favors, or anything of monetary value from vendors or parties to sub-agreements. However, unsolicited gifts of a nominal value [\$25 or less] may be accepted with the approval of the President & CEO. The standards of conduct included with the personnel policies shall provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the recipients.

Receipt and Acceptance of Goods

The purchaser of products shall inspect goods received. Upon receipt of any item from a vendor, the following actions shall immediately be taken:

1. Review bill of lading for correct delivery point
2. Verify the quantity of boxes/containers with the bill of lading
3. Examine boxes/containers for exterior damage
4. Note on the bill of lading any discrepancies (missing or damaged boxes/containers, etc.)
5. Sign and date the bill of lading
6. Retain a copy of the bill of lading

When goods are moved to another area for thorough inspection; the following inspection procedures shall be performed:

1. Remove the packing slip from each box/container
2. Compare the description and quantity of goods per the purchase order to the packing slip
3. Examine goods for physical damage
4. Count or weigh items, if appropriate
5. Record an indication of counts on the purchase order

Credit Card Usage

STEPS Agency limits credit card issuance to only one card. The maximum credit limit allowed is to be no greater than \$7,500??????. This card is kept in a locked drawer in the finance office. Individual usage of the card requires a check-out signature. A receipt for the expense charged to the card must be returned with the card. The credit card must be returned to the finance office immediately after usage. Photocopies of the card are absolutely prohibited. **The credit card should never be used to pay ordinary or routine expenditures.**

Prohibited Expenditures

Consistent with its tax-exempt status under the Internal Revenue Code, it is the policy of STEPS that STEPS shall not incur any expenditure for political intervention. For purposes of this policy, political intervention shall be defined as any activity associated with the direct or indirect support or opposition of a candidate for elective public office at the federal, state or local level. Political intervention does not include lobbying activities, defined as the direct or indirect support or opposition for legislation, which is not prohibited under the Internal Revenue Code for STEPS. Examples of prohibited political expenditures include, but are not limited to, the following:

1. Contributions to political action committees
2. Contributions to the campaigns of individual candidates for public office
3. Contributions to political parties
4. Expenditures to produce printed materials (including materials included in periodicals) that support or oppose candidates for public office
5. Expenditures for the placement of political advertisements in periodicals

Endorsements of Candidates

It is the policy of STEPS not to endorse any candidates for public office in any manner, either verbally or in writing. This policy extends to the actions of management and other representatives of STEPS, when these individuals are acting on behalf of, or are otherwise representing, STEPS.

Prohibited Use of Organization Assets and Resources

It is the policy of STEPS that no assets or human resources of STEPS shall be utilized for political activities, as defined above. This prohibition extends to the use of Organization assets or human resources in support of political activities that are engaged in personally by Board Members, members of management, employees, or any other representatives of STEPS. While there is no prohibition against these individuals engaging in political activities personally (on their own time, and without representing that they are acting on behalf of STEPS), these individuals must at all times be aware that Organization resources cannot at any time be utilized in support of political activities.

ACCOUNTS PAYABLE MANAGEMENT

STEPS strives to maintain efficient business practices and good cost control. A well managed accounts payable function can assist in accomplishing this goal from the purchasing decision through payment and check reconciliation.

It is the policy of STEPS that the recording of assets or expenses and the related liability is performed by an employee independent of ordering and receiving. The amounts recorded are based on the vendor invoice for the related goods or services. The vendor invoice should be supported by an approved voucher where necessary,

and should be reviewed and approved by a finance department employee prior to being processed for payment. Invoices and related general ledger account distribution codes are reviewed prior to posting to the subsidiary system.

The primary objective for accounts payable and cash disbursements is to ensure that:

1. Disbursements are properly authorized
2. Invoices are processed in a timely manner
3. Vendor credit terms and operating cash are managed for maximum benefits

Recording of Accounts Payable

All valid accounts payable transactions, properly supported with the required documentation, shall be recorded as accounts payable in a timely manner.

Accounts payable are processed on no less than a weekly basis. Information is entered into the system from approved invoices or disbursement vouchers with appropriate documentation attached.

It is the policy of STEPS that only original invoices will be processed for payment unless duplicated copies have been verified as unpaid by researching the vendor records. No vendor statements shall be processed for payment.

Accounts Payable Cut-Off

For purposes of the preparation of STEPS' monthly financial statements, all vendor invoices that are received, approved and supported with proper documentation by the tenth day of the following month shall be recorded as accounts payable as of the end of the immediately preceding month if the invoice pertains to goods or services delivered by month-end.

Establishment of Control Devices

Control of invoices is established by a Financial Assistant (**Insert TITLE**) as soon as invoices are received. Vendors will be instructed to mail all invoices directly to the finance department. Upon receipt of invoices, each invoice is then physically taken to the appropriate Program Manager for verification of the quantity shipped, the amount billed and the appropriate coding. After approval and coding by the Program Manager the invoice will be entered into our accounts payable system for payment. If the expense is included on an agency credit card statement a copy of the statement is made and given to the Program Manager/Director for supporting documentation of the expense. All documentation must be received in the finance office prior to payment of the expense.

Preparation of a Voucher Package

Prior to a preapproved expense being submitted for payment, a package called a "voucher package" shall be assembled. Each voucher package shall contain the following documents:

1. Vendor invoice (or employee expense report)
2. Packing slip (where appropriate)
3. Purchase order (when utilized)
4. Originating voucher (where necessary)
5. Any other supporting documentation deemed appropriate

Processing of Voucher Packages

The following procedures shall be applied to each voucher package by the appropriate Financial Assistant:

1. Check the mathematical accuracy of the vendor invoice.
2. Compare the nature, quantity and prices of all items ordered per the vendor invoice to the purchase order, packing slip or receiving report (if applicable).
3. Document the general ledger distribution, using STEPS' current chart of accounts
4. Obtain the review and signature of approval of the Program Manager associated with the goods or services purchased

Approvals by Program Managers indicate their acknowledgement of satisfactory receipt of the goods or services invoiced, agreement with all terms appearing on the vendor invoice, agreement with general ledger account coding, and agreement to pay vendor in full. Approvals shall be documented with initials or signatures of the approving individual.

Payment Discounts

To the extent practical, it is the policy of STEPS to take advantage of all prompt payment discounts offered by vendors. When availability of such discounts is noted, and all required documentation in support of payment is available, payments will be scheduled so as to take full advantage of the discounts.

Employee Expense Reports

Reimbursements for travel expenses, business meals, or other approved costs will be made only upon the receipt of a properly approved and completed expense reimbursement form (see further policies under "Travel and Business Entertainment"). All receipts must be attached, and a brief description of the

business purpose of trip or meeting must be noted on the form. Expense reports will be processed for payment in the next payroll cycle if received within two business days of the deadline. Expenses older than two months will not be reimbursed.

Reconciliation of A/P Subsidiary Ledger to General Ledger

At the end of each monthly accounting period, the total amount due to vendors per the accounts payable subsidiary ledger shall be reconciled to the total per the accounts payable general ledger account (control account). All differences are investigated and adjustments are made as necessary. The reconciliation and the results of the investigation of differences are reviewed and approved by the Chief Financial Officer.

Also on a monthly basis, a Financial Assistant shall perform the following procedures:

1. Check all statements (when received) for unprocessed invoices.
2. Ensure invoices received during the month have been approved and returned to the finance office for payment.

TRAVEL AND BUSINESS ENTERTAINMENT

Travel Advances

Funds will be advanced for upcoming travel only upon receipt of a completed and properly approved request for travel advance. Travel advances are to be used only for the purpose intended. Travel expenses are to be made in accordance with STEPS' travel policies. The related travel expenses will be coded to the program and grant generating a need for the expense.

Employees receiving travel advances are required to sign for the advance signifying their acknowledgement of, and agreement to, these policies. Employees receiving travel advances must submit an expense report within 2 weeks of returning from travel. Any outstanding advances more than 30 days old will be deducted from an employee's next paycheck.

Employee and Director Business Travel

At the conclusion of a STEPS business trip, an employee or member of the Board of Directors that has incurred business-related expenses should complete an expense report in accordance with the following policies:

1. Identify each separately incurred business expense (i.e. do not group all expenses associated with one trip together)
2. With the exception of tips, tolls, reimbursed mileage, and meals all business expenses must be supported with invoices/receipts (**REVIEW THIS AGAIN**)
3. For all lodging and any expenditure other than meals, vendor receipts/invoices must be submitted. Credit card charge slips do not represent adequate supporting documentation - a hotel receipt must be obtained to substantiate all lodging expenditures. Reimbursement will be limited to the per diem rate for the area of travel unless pre-approved by a Program Manager/Director/COO or the President & CEO.
4. For airfare, airline-issued receipts should be obtained. If a traveler fails to obtain a receipt, other evidence must be submitted indicating that a trip was taken and the amount paid (for example, a combination of an itinerary, a credit card receipt, and boarding passes).
5. Mileage may be reimbursed at the rates currently effective in agency personnel policies. Mileage reimbursed by grants will follow the approved rate on the grant if less than the agency reimbursable rate.
6. The business purpose of each trip must be adequately explained on each report.
7. Project/function codes must be identified for all expenditures.
8. For all meals and other business expenditures, the per diem reimbursement will follow the rates published by the grant source, either federal or state and documentation for the following will be provided.
9. Names, titles, organizations, and business relationships of all persons entertained
10. The business purpose of the meal or other business event (topics discussed, etc.)

11. All expense reports must be signed and dated by the employee.
12. All expense reports must be approved by the employee's Program Manager/Director
13. Only one expense report form should be prepared for each trip.

An employee will not be reimbursed for expense reports not meeting the preceding criteria. If the expense report results in a balance due to STEPS (as a result of receiving a travel advance greater than actual business expenditures), the employee must attach a check or sign a statement indicating authorization to settle the balance due through a payroll deduction. This amount will be immediately withheld from the next pay check.

No further travel advances will be issued to any employee who has an outstanding balance due to STEPS from previous business trips.

Reasonableness of Travel Costs

STEPS shall reimburse travelers only for those business-related costs that are reasonably incurred. Accordingly, the following guidelines shall apply:

1. Suites and other upgraded rooms at hotels shall not be allowed; Travelers should stay in standard rooms
2. When utilizing rental cars, travelers should rent midsize or smaller vehicles; Share rental cars whenever possible
3. Business-related long-distance telephone calls while away on business travel are permitted, but should be kept to a minimum; Expense reports should explain long-distance charges
4. Personal long-distance calls while away on business are reimbursable if kept to a minimum, such as one nightly call home to family; Personal calls in excess of this shall not be reimbursed
5. Whenever possible, travelers should utilize long-distance calling cards when placing calls while away on travel; Avoid using the hotel's long-distance service if possible
6. Reasonable tips for baggage handling shall be reimbursed; No receipts are required

Special Rules Pertaining to Air Travel

The following additional rules apply to air travel:

1. Air travel should be at coach class; First class air travel shall not be reimbursed.
2. Memberships in airline flight clubs are not reimbursable. Cost of flight insurance is not reimbursable. When airfare is \$500 or more, two quotes from a travel agency and/or an airline should be obtained and attached to the expense report

3. When returning on a Sunday or departing on a Saturday in order to obtain a cost savings in airfare due to the Saturday-night stay over, travelers should provide a total cost comparison (showing that the lower airfare plus an extra night lodging, meals & incidentals is less costly than airfare without the Saturday night stay over)
4. Cost of upgrade certificates is not reimbursable
5. Cost of canceling and rebooking flights is not reimbursable, unless it can be shown that it was necessary or required for legitimate business reasons (such as changed meeting dates, etc.)
6. Travelers must identify and pay for all personal flights, even if such flights are incorporated into a flight schedule that serves business purposes (i.e. STEPS will not reimburse for personal legs of a trip)

Spouse/Partner Travel

It is the policy of STEPS not to reimburse any employee or Board Member for separate travel costs (air fare, etc.) associated with his/her spouse or partner. The cost of a shared hotel room need not be allocated between employee/director and spouse/partner for purposes of this policy.

CASH DISBURSEMENTS AND CHECK-WRITING POLICIES

Check Preparation

It is the policy of STEPS to print vendor checks and expense reimbursement checks on no less than a weekly basis. Checks shall be prepared by persons independent of those who initiate or approve expenditures, as well as those who are authorized check signers.

All vendor and expense reimbursement checks shall be produced in accordance with the following guidelines:

1. Expenditures must be supported in conformity with the purchasing, accounts payable, and travel and business entertainment policies described in this manual
2. Timing of disbursements should generally be made to take advantage of all early-payment discounts offered by vendors
3. Generally, all vendors shall be paid within 30 days of submitting a proper invoice upon delivery of the requested goods or services
4. Total cash requirements associated with each check run are monitored in conjunction with available cash balance in bank prior to the release of any checks
5. All supporting documentation is attached to the corresponding check prior to forwarding the entire package to an authorized check signer
6. Checks shall be utilized in numerical order (unused checks are stored in a locked safe in the Finance Department)
7. Checks shall never be made payable to "bearer" or "cash"
8. Checks shall never be signed prior to being prepared
9. Upon the preparation of a check, vendor invoices and other supporting documentation shall immediately be canceled in order to prevent subsequent reuse.
10. All cash disbursements made by check are to be checks generated by the accounting system. NO MANUAL CHECKS ARE TO BE PREPARED OR USED FOR PAYMENT.

Check Signing **(Review this section again)**

Routine checks require one signature. Nonroutine checks over \$5,000 need two signatures. No checks shall be signed prior to the check being completed in its entirety (no signing of blank checks).

Check signers should examine all original supporting documentation to ensure that each item has been properly authorized prior to signing a check. Checks should not

be signed if supporting documentation appears to be missing or there are any questions about a disbursement. Notification of any changes in signatories must be communicated with bank as soon as possible after a change is made. This is the responsibility of either the CEO or the CFO.

Mailing of Checks

After signature, checks are returned to the individual who prepared them, who then mails checks immediately. Checks shall not be mailed by individuals who authorize expenditures.

Voided Checks and Stop Payments

Checks may be voided due to processing errors by making proper notations in the check register and defacing the check by clearly marking it as "VOID". All voided checks shall be retained to aid in preparation of bank reconciliations.

Stop payment orders may be made for checks lost in the mail or other valid reasons. Stop payments are processed by telephone instruction and written authorization to the bank by accounting personnel with this authority. A journal entry is made to record the stop payment and any related bank fees.

Record-Keeping Associated with Independent Contractors

STEPS shall obtain a completed Form W-9 or equivalent substitute documentation from all vendors to whom payments are made. A record shall be maintained of all vendors to whom a Form 1099 is required to be issued at year-end. Payments to such vendors shall be accumulated over the course of a calendar year.

PAYROLL AND RELATED POLICIES

Classification of Workers as Independent Contractors or Employees

It is the policy of STEPS to consider all relevant facts and circumstances regarding the relationship between STEPS and the individual in making determinations about the classification of workers as independent contractors or employees. This determination is based on the degree of control and independence associated with the relationship between STEPS and the individual. Facts that provide evidence of the degree of control and independence fall into three categories:

- Behavioral control
- Financial control
- The type of relationship of the parties

Facts associated with each of these categories that will be considered by STEPS in making employee/contractor determinations shall include:

1. Behavioral control:

a. Instructions given by STEPS to the worker that indicate control over the worker (suggesting an employee relationship), such as:

- (1) When and where to work
- (2) What tools or equipment to use
- (3) What workers to hire or to assist with the work
- (4) Where to purchase supplies and services
- (5) What work must be performed by a specified individual
- (6) What order or sequence to follow

b. Training provided by STEPS to the worker (i.e. employees typically are trained by their employer, whereas contractors typically provide their own training)

2. Financial control:

a. The extent to which the worker has unreimbursed business expenses (i.e. employees are more likely to be fully reimbursed for their expenses than is a contractor)

b. The extent of the worker's investment in the facilities/assets used in performing services for STEPS (greater investment associated with contractors)

c. The extent to which the worker makes services available to the relevant market

d. How STEPS pays the worker (i.e. guaranteed regular wage for employees vs. flat fee paid to some contractors)

e. The extent to which the worker can realize a profit or loss.

3. Type of Relationship:

- a. Written contracts describing the relationship that STEPS and the individual intend to create
- b. Whether STEPS provides the worker with employee-type benefits, such as insurance, paid leave, etc.
- c. The permanency of the relationship
- d. The extent to which services performed by the worker are a key aspect of the regular business of STEPS

If an individual qualifies for independent contractor status, the individual will be sent a Form 1099 if total compensation paid to that individual for any calendar year, on the cash basis, is \$600 or more. The amount reported on a Form 1099 is equal to the compensation paid to that person during a calendar year (on the cash basis). Excluded from "compensation" are reimbursements of business expenses that have been accounted for by the contractor by supplying receipts and business explanations.

If an individual qualifies as an employee, a personnel file will be created for that individual and all documentation required by the STEPS personnel policies shall be obtained. The policies described in the remainder of this section shall apply to all workers classified as employees.

Cell Phone Guidelines **(NEEDS REVISION)**

STEPS provides cell phones for the President & CEO, CFO, COO, and the Director of Economic Services for The Business Group for the sole purpose of ensuring they maintain the ability to reach these key employees at all times for work-related emergencies. Per IRS Revenue Code Sections 132(d) and (e) these costs are not included in the employee gross wage calculation.

Payroll Administration

STEPS operates on a bi-weekly payroll. For all STEPS employees, a personnel file is established and maintained with current documentation, as described throughout this section and more fully described in STEPS' Personnel Manual.

The forms, documents and information to be obtained and included in the personnel files of all new employees are outlined in STEPS' Personnel Policies and Procedures Manual.

Changes in Payroll Data

It is the policy of STEPS that all of the following changes in payroll data are to be authorized in writing:

1. New hires
2. Terminations
3. Changes in salaries and pay rates
4. Voluntary payroll deductions
5. Changes in income tax withholding status

6. Court-ordered payroll deductions

New hires, terminations, and changes in salaries or pay rates shall be authorized in writing by the President & CEO. **(REVISE)**

Voluntary payroll deductions and changes in income tax withholding status shall be authorized in writing by the individual employee.

Documentation of all changes in payroll data shall be maintained in each employee's personnel file.

Payroll Taxes

The Finance Department is responsible for ensuring all required tax forms are properly completed and submitted, and that all required taxes are withheld and paid. The Finance Department may utilize the services of an outside payroll service center for the processing of payroll, as determined by the Chief Financial Officer.

It is the policy of STEPS to obtain an updated Form W-4 from each employee in January of each year, if such change is necessary. Withholding of federal income taxes shall be based on the most current Form W-4 prepared by each employee.

Payroll tax payments are required to be made timely. The Financial Assistant makes the payments online and subsequently makes an entry into the accounting system. The journal voucher is printed out with the payment verification and presented to the CFO for posting.

Payments made to the agency handling the retirement benefits for STEPS are made on a bi-weekly basis. These are made online and an entry is made to the accounting system via a journal voucher. The voucher is printed out, the verification of payment is attached and given to the CFO for posting.

Preparation of Timesheets

Each STEPS employee must submit to the Finance Department a signed and approved timesheet no later than 12:00 noon on the Monday following the close of each pay period. Timesheets shall be prepared in accordance with the following guidelines:

1. Each timesheet shall reflect all hours worked during the pay period (time actually spent on the job performing assigned duties), whether compensated or not;
2. Timesheets shall be prepared in ink; Errors shall be corrected by crossing through the incorrect entry, filling in the correct entry, and placing the employee's initials next to the change (i.e. employees shall not use "white out" or correction tape);
3. Employees shall identify and record hours worked based on the nature of the work performed;

4. Compensated absences (vacation, holiday, sick leave, etc.) should be clearly identified as such; and
5. Timesheets shall be signed by the employee.

After preparation, timesheets shall be approved by Program Managers prior to submission to the Finance Department.

An organization employee who is on leave, on travel, or is ill on the day that timesheets are due may telephone or e-mail timesheet information to his or her supervisor. Time submitted must reflect the actual time worked and the appropriate classifications. The employee must initial a timesheet submitted in this manner immediately upon his/her return to the office. Timesheets submitted in this manner shall bear the notation, "Time reported by telephone or e-mail by (employee) to (supervisor)." The timesheet shall be signed by the supervisor.

Processing of Timesheets

Processing of timesheets in the Finance Department is performed by the Financial Assistant. The Financial Assistant checks all timesheets for mathematical accuracy and supervisory approval.

The Financial Assistant may not change or correct timesheets. If errors are noted, a corrected and approved timesheet must be re-submitted to the Finance office before noon on Tuesday of payroll week. If a corrected timesheet is not submitted timely the employee will not receive a pay check until the next pay period. The responsibility of timely timesheet submission rests with the employee.

Tampering with, altering, or falsifying time records, recording time on another employee's time record or willfully violating any other timesheet policy or procedure may result in disciplinary action, up to and including discharge.

Review of Payroll **(REVISE?)**

The Financial Assistant reviews payroll reports prior to printing checks or creating direct deposit files. The Financial Assistant shall sign the payroll register, indicating review and approval of the payroll.

Distribution of Payroll

Payroll payments (or vouchers for electronic deposits) shall be distributed by an individual who does not approve time sheets and is not responsible for hiring and firing.

POLICIES PERTAINING TO SPECIFIC ASSET AND

LIABILITY ACCOUNTS

CASH AND CASH MANAGEMENT

Cash Accounts

Money Market Savings Account **(Thing about leaving this in for future)**

Funds in this account are from cash excesses accumulated over a period of years. This is an interest bearing account. This account is used to temporarily fund deficits in cash for payroll and operations expenditures until funds from grantor are received.

General Checking Account (operating account):

The primary operating account provides for routine business check disbursements. Cash deposits for all programs except Housing are made to this account. Electronic transfer of funds from the grantor is utilized when available through the funding sources. Cash transfers are done on an as needed basis to cover disbursements.

Housing Checking Account **(Possible IPR)**

All deposits of Housing program funds are made into this account. Routine business check disbursements for Housing program related expenditures are made from this account. Funds received from federal or state sources are electronically transferred into this account. All other funds from reimbursements, contributions specifically related to the Housing program and loan repayments are deposited into this account. Monies are not transferred from this account to assist in temporary funding of other programs.

Payroll Account

The payroll account is separate from the operating account. The payroll account is a zero-balance account. As such, only the funds needed to cover each payroll and payroll related expenses are transferred into this account from the appropriate accounts, based on the amount calculated and communicated by the payroll department.

Transfers from operations into the payroll account are initiated by the Financial Assistant. Payroll is paid out by electronic transfer when authorized by the employee. All other employees are paid by check. Authorized signers on the payroll account are the same as those on the operating account.

Bank Reconciliations

Bank account statements are received each month and forwarded unopened to the Financial Assistant. This individual shall open the statement and review its contents for unusual or unexplained items. Unusual or unexplained items shall be reported immediately to the CFO and ultimately the Finance Committee.

After this review is complete, reconciliation between the bank balance and general ledger balance is prepared by a Financial Assistant who is not an authorized check signer. It is the policy of STEPS to complete the bank reconciliation process within one week of receipt of each bank statement.

All bank reconciliations, including any adjusting journal entries resulting from preparing bank reconciliations, are reviewed by the Chief Financial Officer on a monthly basis.

Bank reconciliations and copies of resulting journal entries are filed in the current year's accounting files. Copies of checks returned with bank statements shall be filed with the bank statement by bank account and month.

Cash Flow Management

The Chief Financial Officer monitors cash flow needs on a weekly basis to eliminate idle funds and to ensure that payment obligations can be met. Cash transfers between the operating and money market accounts and the housing and money market accounts are performed on an as-needed basis.

Stale Checks

It is the policy of STEPS to write off checks of \$500 or less that are more than 6 months old that have not cleared STEPS' bank. All stale checks that are written off within the same fiscal year as they were written shall be credited to the same expense or asset account that was debited when the check was written, or the expenditure incurred. For stale checks written off in fiscal years subsequent to the year in which the check was written, the credit shall be to miscellaneous income.

Petty Cash

It is the policy of STEPS to provide for advance funds (used for payment of minor office expenditures, not for travel or employee advances) only for valid transactions and to periodically replenish these funds up to its authorized balance. It is the responsibility of the program staff in charge of petty cash to ensure that the petty cash fund is locked at all times. The operating petty cash fund will be monitored by the Finance Office.

All disbursements from the petty cash fund must be accompanied by a completed and approved petty cash voucher. Receipts are required for all disbursements from petty cash.

The petty cash custodian shall prepare a reconciliation of the petty cash account on a periodic basis. Petty cash reconciliations are subject to review by the Chief

Financial Officer, who may also perform periodic surprise cash counts and reconciliations.

Wire Transfers **(Think about this)**

The Financial Assistants, the Chief Financial Officer or the President & CEO shall be the only STEPS employees authorized to transact wire transfers from STEPS' bank accounts. To prevent anyone other than these employees from transacting wire transfers, a system shall be employed that requires the use of pass codes for each wire transfer. Pass codes, issued only to the Financial Assistants, the Chief Financial Officer or the President & CEO are assigned by the bank and are changed periodically or with a turnover of financial staff.

Confirmations of all wire transfers are delivered to the Financial Assistant, the Chief Financial Officer or the President & CEO.

PREPAID EXPENSES

Accounting Treatment

It is the policy of STEPS to treat payments of expenses that have a time-sensitive future benefit as prepaid expenses and to amortize these items over the corresponding time period. For purposes of this policy, payments of less than \$500 shall be expensed as paid and not treated as prepaid expenses, regardless of the existence of a future benefit.

Prepaid expenses with future benefits that expire within one year from the date of the financial statements shall be classified as current assets. Prepaid expenses that benefit future periods beyond one year from the financial statement date shall be classified as non-current assets.

Procedures

As part of the account coding process performed during the processing of accounts payable, all incoming vendor invoices shall be reviewed for the existence of time-sensitive future benefits. If future benefits are identified, the payment shall be coded to a prepaid expense account code.

The Finance Department shall maintain a schedule of all prepaid expenses. The schedule shall indicate the amount and date paid, the period covered by the prepayment, the purpose of the prepayment, and the monthly amortization. This schedule shall be reconciled to the general ledger balance as part of the monthly closeout process.

FIXED ASSET MANAGEMENT

Capitalization Policy

Physical assets acquired with unit costs in excess of \$5,000 are capitalized as fixed assets on the financial statements. Items with unit costs below this threshold shall be expensed in the year purchased.

Capitalized fixed assets are accounted for at their historical cost and all such assets, except land and certain works of art and historical treasures, are subject to depreciation over their estimated useful lives, as described later.

Contributed Assets

Assets with fair market values in excess of \$5,000 (per unit) that are contributed to STEPS shall be capitalized as fixed assets on the financial statements. Contributed items with market values below this threshold shall be expensed in the year contributed.

Capitalized contributed assets are accounted for at their market value at the time of donation and all such assets, except land and certain works of art and historical treasures, are subject to depreciation over their estimated useful lives, as described later.

Establishment and Maintenance of a Fixed Asset Listing

All capitalized fixed assets shall be recorded in a property log. This log shall include the following information with respect to each asset:

1. Date of acquisition
2. Cost
3. Description (including color, model, and serial number)
4. Location of asset
5. Depreciation method
6. Estimated useful life

A physical inventory of all assets capitalized under the preceding policies will be taken on an annual basis by STEPS. This physical inventory shall be reconciled to the property log and adjustments made as necessary. All adjustments resulting from this reconciliation will be approved by the Chief Financial Officer.

Dispositions of Fixed Assets

In the event a non-expendable asset is sold, scrapped, donated or stolen, adjustments need to be made to the fixed asset listing and property log. If money is

received for the asset, then the difference between the money received and the "book value" (purchase price less depreciation) of the asset will be recorded as a loss if the money received is less than the book value and a gain if the money received is more than the book value.

Write-Offs of Fixed Assets

The Chief Financial Officer approves the disposal of all capitalized fixed assets that may be worn-out or obsolete. Property that is discovered to be missing or stolen will be reported immediately to the Chief Financial Officer. If not located, this property will be written off the books with the proper notation specifying the reason.

LEASES

Classification of Leases

It is the policy of STEPS to classify all leases in which STEPS is a lessee as either capital or operating leases. STEPS shall utilize the criteria described in Statement of Financial Accounting Standards No. 13 in determining whether a lease is capital or operating in nature. Under those criteria, a lease shall be treated as a capital lease if, at the time of entering into the lease, any of the following factors are present:

- The lease transfers ownership to STEPS at the end of the lease term;
- The lease contains a bargain purchase option;
- The lease term is equal to 75% or more of the estimated economic life of the leased property; or
- The present value of the minimum lease payments is 90% or more of the fair value of the leased property (using, as the interest rate, the lesser of STEPS' incremental borrowing rate or, if known, the lessor's implicit rate).

All leases that do not possess any of the four preceding characteristics shall be treated as operating leases. In addition, all leases that are immaterial in nature shall be accounted for as operating leases.

Accounting for Leases

All leases that are classified as operating leases and immaterial capital leases shall be accounted for as expenses in the period in which the obligation to make a lease payment is incurred. For leases with firm commitments for lease payments that vary over the term of the lease (i.e. a lease with fixed annual increases that are determinable upon signing the lease), the amount that STEPS shall recognize as monthly lease expense shall equal the average monthly lease payment over the entire term of the lease. Differences between the average monthly payment and the actual monthly payment shall be accounted for as an asset or liability of STEPS.

All leases that are classified as capital leases shall be treated as fixed asset additions of STEPS. As such, upon the inception of a capital lease, STEPS shall record a fixed asset and a liability under the lease, based on the net present value of the minimum lease payments (or the fair value of the leased asset, if it is less than the present value of the lease payments). Periodic lease payments shall be allocated between a reduction in the lease obligation and interest expense. The fixed asset recorded under a capital lease shall be depreciated over the term of the lease, using the straight-line method of depreciation.

STEPS shall also maintain a control list of all operating and capital leases. This list shall include all relevant lease terms.

ACCRUED LIABILITIES

Identification of Liabilities

The Finance Department shall establish a list of commonly incurred expenses that may have to be accrued at the end of an accounting period. Some of the expenses that shall be accrued by STEPS at the end of an accounting period are:

- Salaries and wages
- Payroll taxes
- Vacation pay (see policy below)
- Rent
- Interest on notes payable

In addition, STEPS shall record a liability for deferred revenue (revenue received but not yet earned) in accordance with the revenue recognition policies described elsewhere in this manual. Adjustments to deferred revenue accounts shall be made monthly.

Accrued Leave **(Paul to talk to Sharon & Cynthia)**

Personnel policies of STEPS do not permit employees to carry forward unused leave from year to year. Up to two weeks of such unused vacation leave is payable to an employee upon termination of employment.

Leave that does not "vest" with employees (i.e. leave that is not paid to employees if unused at the time of termination of employment) shall not be accrued as a liability of STEPS.

POLICIES ASSOCIATED WITH FINANCIAL STATEMENTS AND TAX REPORTING

Standard Financial Statements of STEPS

Preparing financial statements and communicating key financial information is a necessary and critical accounting function. Financial statements are management tools used in making decisions, in monitoring the achievement of financial objectives, and as a standard method for providing information to interested parties external to STEPS. Financial statements may reflect year-to-year historical comparisons or current year budget to actual comparisons.

The basic financial statements of STEPS that are maintained on an organization-wide basis shall include:

1. Statement of Financial Position - reflects assets, liabilities and net assets of STEPS and classifies assets and liabilities as current or non-current/long-term
2. Statement of Activities - presents support, revenues, expenses, and other changes in net assets of STEPS, by category of net asset (unrestricted, temporarily restricted and permanently restricted)
3. Statement of Cash Flows - reports the cash inflows and outflows of STEPS in three categories: operating activities, investing activities, and financing activities
4. Statement of Functional Expenses - presents the expenses of STEPS in both a natural, or objective, format and by function (i.e. which program or supporting service was served)

Frequency of Preparation

The objective of the Finance Department is to prepare accurate financial statements in accordance with generally accepted accounting principles and distribute them in a timely and cost-effective manner. In meeting this responsibility, the following policies shall apply:

A standard set of financial statements described in the preceding section shall be produced on a monthly basis, by the 15th of each month. The standard set of financial statements described in the preceding section shall be supplemented by the following schedules:

1. Individual statements of activities on a departmental and functional basis (and/or program/grant basis)
2. Comparisons of actual year-to-date revenues and expenses with year-to-date budgeted amounts

The monthly set of financial statements shall be prepared on the accrual method of

accounting, including all receivables, accounts payable received by the 10th of the month, and actual depreciation expense.

Review and Distribution

All financial statements and supporting schedules shall be reviewed and approved by the Chief Financial Officer prior to being issued by the Finance Department.

After approval by the Chief Financial Officer, a complete set of financial statements, including the supplemental schedules described above, shall be distributed to the following individuals:

1. Treasurer (and all members of the Finance Committee)
2. President & CEO
3. COO
4. Program Managers and any other employee with budget-monitoring responsibilities

Financial statements may include an additional supplemental schedule prepared or compiled by the Chief Financial Officer. The purpose of this schedule is to provide known explanations for material budget variances in accordance with STEPS's budget monitoring policies described later in this manual (under the "Financial Management Policies" section).

Special Quarterly Distribution

On a minimum of a quarterly basis, a complete set of STEPS financial statements and supplemental schedules shall be distributed to the entire Board of Directors.

Quarterly financial statements distributed to the Board shall include an additional supplemental schedule prepared or compiled by the Chief Financial Officer. The purpose of this schedule is to provide explanations for material budget variances in accordance with STEPS's budget monitoring policies described later in this manual (under the "Financial Management Policies" section).

Annual Financial Statements

A formal presentation of STEPS' annual financial statements shall be provided by the CFO or Independent Auditor to the full Board of Directors at STEPS' Annual Meeting. This presentation will be preceded by a meeting with STEPS' Finance Committee, at which the Finance Committee will vote to accept or reject the annual financial statements. See separate policies regarding the annual audit under "Financial Management Policies."

GOVERNMENT RETURNS

Overview

To legitimately conduct business, STEPS must be aware of its tax and information return filing obligations and comply with all such requirements of federal, state and local jurisdictions.

Filing of Returns

It is the policy of STEPS to become familiar with the obligations in each jurisdiction and to comply with all known filing requirements. The Chief Financial Officer shall be responsible for identifying all filing requirements and assuring that STEPS is in compliance with all such requirements.

It is also the policy of STEPS to file complete and accurate returns with all authorities. STEPS shall make all efforts to avoid filing misleading, inaccurate or incomplete returns.

Filings made by STEPS include, but are not limited to, the following returns:

Form 990 - Annual information return of tax-exempt organizations, filed with IRS. Form 990 for STEPS is due on the fifteenth day of the fifth month following year-end. An automatic 3-month extension of time to file Form 990 may be obtained filing Form 8868. Upon expiration of the first 3-month extension, a second 3-month extension may be requested using Form 8868.

Form 990-T - Annual tax return to report STEPS' unrelated trade or business activities (if any), filed with IRS. Form 990-T is due on the fifteenth day of the fifth month following year-end. An automatic 6-month extension of time to file Form 990-T may be obtained by filing Form 8868.

Personal Property Tax Return - Filed with the State of Virginia to report personal property and officers of the corporation. STEPS' personal property tax return is due July 31.

W-2's and 1099's - Annual report of employee and non-employee compensation, based on calendar-year compensation, on the cash basis. These information returns are due to employees and independent contractors by January 31 and to federal government by February 28.

Form 941 - Quarterly payroll tax return filed with IRS to report wages paid to employees and federal payroll taxes. Form 941 is due by the end of the month following the end of each quarter, or 10 days later if all payroll tax deposits have been made in a timely manner during the quarter.

STEPS' fiscal and tax year-end is June 30th. All annual tax and information returns of STEPS (Form 990, Form 990-T) are filed on the accrual basis of reporting. Federal and all applicable state payroll tax returns are prepared by

STEPS payroll department.

Public Access to Information Returns

Under regulations that became effective in 1999, STEPS is subject to federal requirements to make the following forms "widely available" to all members of the general public:

The three most recent annual information returns (Form 990), [excluding the list of significant donors (Schedule B) that is attached to the Form 990, but including the accompanying Schedule A], and STEPS' original application for recognition of its tax-exempt status (Form 1023 or Form 1024), filed with IRS, and all accompanying schedules and attachments.

It is the policy of STEPS to adhere to the following guidelines in order to comply with the preceding public disclosure requirements:

Anyone appearing in person at the offices of STEPS during normal working hours making a request to inspect the forms will be granted access to a file copy of the forms. The Chief Financial Officer shall be responsible for maintaining this copy of each form and for making it available to all requesters.

For all written requests for copies of forms received by STEPS, STEPS shall require pre-payment of all copying and shipping charges. For requests for copies that are received without pre-payment, STEPS will notify the requester of this policy via phone call or by letter within 7 days of receipt of the original request.

The copying cost charged by STEPS for providing copies of requested forms shall be \$1.50 for the first page copies and \$0.50 for each subsequent page. All copies shall be shipped to requesters via Priority Mail, thus, shipping charges will be a standard \$3.00 per shipment.

After payment is received by STEPS, all requested copies shall be shipped to requesters within 30 days. Making of all copies and shipping within the 30-day time period shall be the responsibility of the Finance Department.

For requests for copies made in person during normal business hours, copies shall be provided while the requester waits. STEPS shall accept certified checks and money orders for requests for copies made in person. STEPS shall accept certified checks, money orders and credit cards (or personal checks) as payment for copies of forms requested in writing.

UNRELATED BUSINESS ACTIVITIES

Identification and Classification

It is the policy of STEPS to properly identify and classify income-producing activities that are unrelated to STEPS' tax-exempt purpose using the guidelines described in the Internal Revenue Code and underlying regulations. Such income

accounts shall be segregated in separate accounts in the general ledger of STEPS in order to facilitate tracking and accumulation of unrelated trade or business activities.

Reporting

It is the Policy of STEPS to file IRS Form 990-T to report taxable income from unrelated trade or business activities when needed. Form 990-T is not subject to any public access or disclosure requirements. Accordingly, it is the policy of STEPS not to distribute copies of Form 990-T, when prepared, to anyone other than management of STEPS.

BUDGETING

Overview

Budgeting is an integral part of managing any organization in that it is concerned with the translation of organizational goals and objectives into financial and human resource terms. A budget should be designed and prepared to direct the most efficient and prudent use of STEPS financial and human resources. A budget is a management commitment of a plan for present and future organizational activities that will ensure survival. It provides an opportunity to examine the composition and viability of STEPS programs and activities simultaneously in light of the available resources.

Preparation and Adoption

It is the policy of STEPS to prepare an annual budget on the accrual basis of accounting. To prepare STEPS's budget, the Chief Financial Officer shall gather proposed budget information from the COO and all Program Managers and any others with budgetary responsibilities and prepare the first draft of the budget. Budgets proposed and submitted by each department should be accompanied by a narrative explanation of the sources and uses of funds and explain all material fluctuations in budgeted amounts from prior years.

After appropriate revisions and a compilation of all department budgets by the Chief Financial Officer, a draft of STEPS agency-wide budget, as well as individual department budgets, is presented to the President & CEO for discussion, revision, and initial approval.

The revised draft is then submitted to the Finance Committee of the Board of Directors, and finally to the entire Board of Directors for adoption.

It is the policy of STEPS to adopt a final budget at least 30 days before the beginning of STEPS' fiscal year. The purpose of adopting a final budget at this time is to allow adequate time for the Finance Department to input the budget into the accounting system and establish appropriate accounting and reporting procedures (including any necessary modifications to the chart of accounts) to ensure proper classification of activities and comparison of budget versus actual once the year begins.

Monitoring Performance

It is the policy of STEPS to monitor its financial performance by comparing and analyzing actual results with budgeted results. This function shall be accomplished in conjunction with the monthly financial reporting process described earlier.

On a monthly basis, financial reports comparing actual year-to-date revenues and expenses with budgeted year-to-date amounts shall be produced by the Finance Department and distributed to each employee with budgetary responsibilities. These individuals shall be responsible for responding with a written explanation of all budget variances in excess of five percent on a

monthly basis.

Budget Modifications

After a budget has been approved by the Board of Directors and adopted by STEPS, reclassifications of budgeted expense amounts within a single department may be made by the COO, Program Manager/Director with approval from the grant monitor and the Chief Financial Officer. Reclassifications of budgeted expense amounts across departments of more than ten percent of the total grant award may be made only with approval of the Grant Monitor, Chief Financial Officer and the President & CEO.

Reclassifications in excess of the preceding thresholds and any budget modification resulting in an increase in budgeted expenses or decrease in budgeted revenues shall be made only with approval of the Finance Committee.

Budgets are entered into the accounting system by grant. The grant budget is prepared by the COO/manager responsible for oversight of their program with input from the Chief Financial Officer. The final budget is reviewed and approved by the program manager, the Chief Financial Officer, the President & CEO and the grant monitor prior to entry into the accounting system.

The Statement of Revenue and Expenditures is prepared showing budget to actual amounts for each grant on a minimum of a quarterly basis and reviewed with the program manager.

ANNUAL AUDIT

Role of the Independent Auditor

It is the policy of STEPS to arrange for an annual audit of STEPS' financial statements to be conducted by an independent accounting firm. The independent accounting firm selected by STEPS will be required to communicate directly with STEPS' Chief Finance Officer upon the completion of their audit. In addition, members of the Finance Committee and Executive Committee are authorized to initiate communication directly with the independent accounting firm.

Audited financial statements, including the auditor's opinion thereon, will be submitted and presented to the Board of Directors by the independent accounting firm (or their designee) at STEPS' Annual Meeting, after the financial statements have been reviewed and approved by the Finance Committee.

How Often to Review the Selection of the Auditor

STEPS shall review the selection of its independent auditor in the following circumstances:

- Anytime there is dissatisfaction with the service of the current firm
- When a fresh perspective and new ideas are desired
- Every 5 years to ensure competitive pricing and a high quality of service (this is not a requirement to change auditors every five years; simply to re-evaluate the selection)

Selecting an Auditor

The selection of an accounting firm to conduct the annual audit is a task that should be taken very seriously. The following factors shall be considered by STEPS in selecting an accounting firm:

1. The firm's reputation in the nonprofit community
2. The depth of the firm's understanding of and experience with not-for-profit organizations and federal reporting requirements under OMB Circular A-133;
3. The firm's demonstrated ability to provide the services requested in a timely manner
4. The ability of firm personnel to communicate with Organization personnel in a professional and congenial manner

If STEPS decides to prepare and issue a written Request for Proposal (RFP) to be sent to prospective audit firms, the following information shall be included:

1. Period of services required
2. Type of contract to be awarded (fixed fee, cost basis, etc.)
3. Complete description of the services requested (audit, management letter, tax returns, etc.)
4. Financial information about STEPS
5. Copy of prior year reports (financial statements, management letters, etc.)
6. Identification of need to perform audit in accordance with OMB Circular A-133

7. Other information considered appropriate
8. Description of proposal and format requirements
9. Due date of proposals
10. Overview of selection process (i.e. whether finalists will be interviewed, when a decision shall be made, etc.)

Proposal Requirements from prospective CPA firms should include:

1. Firm background
2. Biographical information (resumes) of key firm member who will serve STEPS
3. Client references
4. Information about the firm's capabilities
5. Firm's approach to performing an audit
6. Copy of the firm's most recent quality/peer review report, including any accompanying letter of findings
7. Other resources available with the firm
8. Expected timing and completion of the audit
9. Expected delivery of reports
10. Cost estimate including estimated number of hours per staff member
11. Rate per hour for each auditor
12. Other information as appropriate

The proposals of each firm are sent to all members of the Finance Committee who in turn makes the final recommendation to the Board of Directors for approval.

Preparation for the Annual Audit

STEPS shall be actively involved in planning for and assisting with STEPS' independent accounting firm in order to ensure a smooth and timely audit of its financial statements. In that regard, the Finance Department shall provide assistance to the independent auditors in the following areas:

Planning - The Chief Financial Officer is responsible for delegating the assignments and responsibilities to accounting staff in preparation for the audit. Assignments shall be based on the list of requested schedules and information provided by the independent accounting firm.

Involvement - Organization staff will do as much work as possible in order to assist the auditors and, therefore, reduce the cost of the audit.

Throughout the audit process, it shall be the policy of STEPS to make every effort to provide schedules, documents and information requested by the auditors in a timely manner.

Concluding the Audit

Upon receipt of a draft of the audited financial statements of STEPS from its independent auditor, the Chief Financial Officer shall perform a detailed review of

the draft, consisting of the following procedures:

Carefully read the entire report for typographical errors. Trace and agree each number in the financial statements and accompanying footnotes to the accounting records and/or internal financial statements of STEPS. Review each footnote for accuracy and completeness

Any questions or errors noted as part of this review shall be communicated to the independent auditor in a timely manner and resolved to the satisfaction of the Chief Financial Officer.

It shall also be the responsibility of the Chief Financial Officer to review and respond in writing to all management letter or other internal control and compliance report findings and recommendations made by the independent auditor.

Finance Committee Responsibilities

In accordance with the STEPS by-laws, there shall be a Finance Committee. The Finance Committee's responsibilities include, but shall not be limited to, the following:

- Appointment of STEPS' independent auditors
- Review and approval of the annual, audited financial statements
- Discussion of internal control matters with the independent auditor
- Responding to any reported instances of fraud involving STEPS or its employees
- Conducting a quarterly analysis of STEPS' financial statements
- Making policy and other recommendations to the STEPS Board of Directors regarding matters arising out of the audit

In fulfilling these duties and responsibilities, the Finance Committee is entitled to examine any and all documents within the control of STEPS and its employees. In addition, the Finance Committee shall have the authority to contract with independent contractors in the fulfillment of the committee's responsibilities.

INSURANCE

Overview

It is fiscally prudent to have an active risk management program that includes a

comprehensive insurance package. This will ensure the viability and continued operations of STEPS.

It is the policy of STEPS to maintain adequate insurance against general liability, as well as coverage for buildings, contents, computers, fine arts, equipment, machinery and other items of value.

Coverage Guidelines **(CYNTHIA needs to revise)**

As a guideline, STEPS will arrange for the following types and levels of insurance as a minimum:

<u>Type of Coverage</u>	<u>Amount of Coverage</u>
Comprehensive Liability	\$1,000,000
Automobiles for Employees, Volunteers or Escorts	\$1,000,000
Employee dishonesty/bonding	\$1,000,000 for all Finance Department employees and the President & CEO
Fire and Water Damage	Coverage for all items with acquisition cost greater than \$1,000
Directors and Officers	\$1,000,000 (with an appropriate deductible level)
Theft	Coverage for all items with acquisition cost greater than \$1,000
Workers' Compensation	To the extent required by law

STEPS shall maintain a detailed listing of all insurance policies in effect. This listing shall include the following information, at a minimum:

1. Description (type of insurance)
2. Agent and insurance company, including all contact information
3. Coverage and deductibles
4. Premium amounts and frequency of payment
5. Policy effective dates
6. Date(s) premiums paid and check numbers

Insurance Definitions

Workers' Compensation and Employer's Liability - Contractors are required to comply with applicable Federal and State workers' compensation and occupational disease statutes. If occupation diseases are not compensated under those statutes,

they shall be covered under the employer's liability insurance policy except when contract operations are so commingled that it would not be practical to require this coverage.

Fidelity Bond

For all personnel handling cash, preparing or signing checks, STEPS shall obtain insurance that provides coverage in a blanket fidelity bond. The specific needs of STEPS will determine the dollar limit of this coverage.

Comprehensive Liability

This type of coverage may include directors, officers and employee general liability insurance, buildings, contents, computers, fine arts, boilers and machinery.

RECORD RETENTION

Policy

It is the policy of STEPS to retain records as required by law and to destroy them when appropriate. The destruction of records must be approved by the Chief

Financial Officer. The formal records retention policy of STEPS is as follows:

Audit reports	Permanently
Bank reconciliations	3 Years
Bank Statements	3 Years
Contracts, mortgages, notes and leases:	
Expired	7 Years
Still in effect	Permanently

Correspondence:

General	2 Years
Legal and important matters only	Permanently
Routine with customers and/or vendors	2 Years
Deeds, mortgages and bills of sales	Permanently
Depreciation schedules	Permanently
Duplicate deposit slips	3 Years
Employment applications	3 Years
Expense analyses/expense distribution schedule	7 Years
Financial statements:	
Year end	Permanently
Other	Optional
Garnishments	7 Years
General ledgers/year end trial balance	Permanently
Insurance policies (expired)	3 Years
Insurance records (policies, claims, etc.)	Permanently
Internal Reports	7 Years
Inventories of products, materials and supplies	7 Years
Invoices (to customers, from vendors)	7 Years
Journals	Permanently
Minute books of directors, bylaws, and charters	Permanently
Notes receivable ledgers and schedules	7 Years
Payroll records and summaries	7 Years
Personnel records (terminated)	7 Years
Petty cash vouchers	3 Years
Property records (incl. depreciation Schedules)	Permanently
Other copies	1 Year
Retirement and pension records	Permanently
Subsidiary ledgers	7 Years
Tax returns and worksheets, examination Reports & other documents relating to Determination of income tax liability	Permanently
Time sheets/cards	7 Years
Trademark registrations and copyrights	Permanently
Training manuals	Permanently
Voucher register and schedules	7 Years
Withholding tax statements	7 Years

FUNCTIONAL EXPENSE ALLOCATIONS

Overview

As one of its financial management objectives, STEPS strives to determine the actual costs of carrying out each of its program service and supporting activities. In this regard, it is the policy of STEPS to charge expenses to the appropriate category

of program service or supporting activity. Expenses that serve multiple programs or are not readily identifiable with one program shall be allocated between programs whenever possible.

Programs of STEPS are: **(NEED TO UPDATE)**

- 100 Operating
- 110 Project Hope
- 120 Healthy Families
- 150 Energy Share
- 160 Economic Services
- 170 Community Improvement
- 250 Youth Development
- 500 Financial Counseling
- 550 Homelessness Intervention Program
- 560 Indoor Plumbing Rehabilitation
- 600 Payroll
- 999 Indirect Allocations

A full listing of service and supporting function account codes are appended.

Direct Charging of Costs

Certain internal costs shall be directly charged to the appropriate STEPS function based upon underlying documentation. The following costs shall be directly charged based on the documentation or factor listed next to each:

<u>Cost</u>	<u>Basis For Charge</u>
Salaries	Timesheets (hours) or relative account balances of salary expense account in a program
Occupancy (facilities) costs	Actual square footage used by each program

Allocation of Overhead Costs

On a monthly basis, an allocation of overhead expenses to each program service and supporting activity area shall be recorded via a journal entry. Occupancy costs shall be allocated based on actual square footage utilized by each program. Costs included as occupancy costs are all costs associated with building occupancy, building maintenance, liability insurance and utilities that benefit all functions of STEPS. Costs such as office supplies, telephone, and accounting services are allocated on the number of transactions processed through accounts payable during the allocation period.

POLICIES PERTAINING TO FEDERAL AWARDS

Definitions

There are several types of agreements through which STEPS may receive financial assistance from a donor/grantor agency:

Grant: A financial assistance award given to STEPS to carry out its programmatic purpose.

Contract: A mutually binding legal agreement where STEPS agrees to provide supplies or services and the donor agrees to pay for them.

Cooperative Agreement: A legal agreement where STEPS implements a program with the direct involvement of the donor.

Throughout this manual, federal assistance received in any of these forms will be referred to as a federal "award."

Preparation and Review of Proposals

Individual departments are responsible for preparing proposals for projects that the department intends to pursue. However, all proposals shall be reviewed by the Chief Financial Officer prior to submission to government agencies or other funding sources. Final proposals shall be reviewed and approved in writing by the President & CEO

Post-Award Procedures

After an award has been made, the following steps shall be taken:

- a. Verify the specifications of the grant or contract. The Finance Department shall review the terms, time periods, award amounts and expected expenditures associated with the award. A CFDA (*Catalog of Federal Domestic Assistance*) number shall be determined for each award. All reporting requirements under the contract or award shall be summarized.
- b. Review the chart of accounts to ensure proper coding for recording transactions currently exist and creating new codes where necessary.
- c. Gather documentation. A file is established for each grant or contract. The file contains the proposal, all correspondence regarding the grant or contract, the final signed award document and all reports submitted to the funding sources.

Compliance with Laws, Regulations and Provisions of Awards

STEPS recognizes that as a recipient of Federal funds, STEPS is responsible for compliance with all applicable laws, regulations, and provisions of contracts and grants. To ensure that STEPS meets this responsibility, the following policies apply with respect to every grant or contract received directly or indirectly from a Federal agency:

1. For each Federal award, a STEPS employee within the department

responsible for administering the award will be designated as "Grant/Project Manager" (GPM).

2. Each GPM shall attend a class on grant management prior to beginning their role as a GPM (or as early in their functioning as a GPM as practical). Thereafter, all GPM's shall attend refresher/update courses on grant management no less frequent than every two years.
3. The GPM shall take the following steps to identify all applicable laws, regulations, and provisions of each grant and contract:
 - Read each award and prepare a summary of key compliance requirements and references to specific laws and regulations.
 - Review the "OMB Circular A-133 Compliance Supplement" (updated annually) published by the Office of Management and Budget (OMB) for compliance requirements unique to the award and for compliance requirements common to all Federal awards.
 - Review the section of the Catalog of Federal Domestic Assistance applicable to the award.
4. The Finance Department shall forward copies of applicable laws and regulations to the GPM (such as OMB Circulars, pertinent sections of compliance supplements, and other regulations).
5. The GPM and/or the STEPS Finance Department shall identify and communicate any special changes in policies and procedures necessitated by Federal awards as a result of the review of each award.
6. The GPM shall take all reasonable steps necessary to identify applicable changes in laws, regulations, and provisions of contracts and grants. Steps taken in this regard shall include, but not be limited to, reviewing subsequent grant and contract renewals, reviewing annual revisions to the "OMB Circular A-133 Compliance Supplement", and communications with Federal awarding agency personnel.
7. The GPM shall cooperate with STEPS' Independent Auditors by informing the CPA firm as to applicable laws, regulations, and provisions of contracts and grants and communicating known instances of noncompliance with laws, regulations, and provisions of contracts and grants to the auditors when necessary.

Billing and Financial Reporting

STEPS strives to provide management, staff and funding sources with timely and accurate financial reports applicable to federal awards. These reports include monthly and cumulative expenditures, a project budget, and a balance remaining column.

STEPS shall prepare and submit financial reports as specified by the financial reporting clause of each grant or contract award document. Preparation of these reports shall be the responsibility of the appropriate staff member subject to review and approval by Chief Financial Officer.

The following policies shall apply to the preparation and submission of billings to

federal agencies under awards made to STEPS:

1. It is the policy of STEPS to request reimbursement after expenditures have been incurred, unless an award specifies another method.
2. Each award normally specifies a particular billing cycle; therefore, a schedule is established for each grant and contract to ensure that reimbursement is made on a timely basis along with any other reporting that is required in addition to the financial reports.
3. Requests for reimbursement of award expenditures will use the actual amounts as posted to the general ledger as the source for all invoice amounts. If a source other than the general ledger is used for preparing requests for reimbursement, this policy should include an additional statement that this alternate source shall be reconciled to the general ledger balances on a monthly basis
4. All financial reports required by each federal award will be prepared and filed on a timely basis. To the extent STEPS' year-end audit results in adjustments to amounts previously reported to federal agencies, revised reports shall be prepared and filed in accordance with the terms of each federal award.

STEPS shall maintain separate billing records in addition to the official general ledger accounting records. Billing records shall be reconciled to the general ledger on a monthly basis.

At the time invoices (requests for reimbursement) are prepared, revenue and accounts receivable shall be recorded on the books of STEPS by the appropriate Financial Assistant.

If a federal award authorizes the payment of cash advances to STEPS, the Chief Financial Officer may request such an advance be made. Upon receipt of a cash advance from a federal agency, STEPS shall reflect a liability equal to the advance. As part of the monthly close-out and invoicing process, the liability shall be reduced, and revenue recognized, in an amount equal to the allowable costs incurred for that period.

Cash Draw Downs Under Letters of Credit **(Projected for Head Start)**

Cash draw-downs under letters of credit from federal agencies shall be made in conjunction with the accounts payable and payroll schedule, based on need. All federal funds shall be deposited into an interest-bearing cash account under the cash receipts policies and procedures described in this manual.

The Finance Department staff shall draw cash from the U.S. Treasury based on a computer listing of anticipated cash disbursements due to be paid within the next pay period. Adjustments to this estimate shall be made for known exceptions, such as staff going on or returning from leave, non-recurring purchases, etc.

In addition, the following schedule shall be completed to reconcile Federal cash on

hand and to estimate STEPS's need for additional Federal funds:

- Federal cash drawn to date
- YTD expenses as of the end of the prior month
- Estimated disbursements this month to date
= Subtotal (Estimated cash on hand today)
- Estimated disbursements this week
= Amount to be requested

Procurement Under Federal Awards

Procurement of goods and services whose costs are charged to federal awards received by STEPS are subject to all of the specific STEPS purchasing policies described earlier, under "Purchasing Policies and Procedures." In addition, procurements associated with Federal awards are subject to the following supplemental policies:

1. STEPS shall avoid purchasing items that are not necessary for the performance of the activities required by a Federal award.
2. Where appropriate, an analysis shall be made of lease and purchase alternatives to determine which would be the most economical and practical procurement for the Federal government.
3. Documentation of the cost and price analysis associated with each procurement decision shall be retained in the procurement files pertaining to each Federal award.
4. For all procurements in excess of the small purchase acquisition threshold (currently \$100,000), procurement records and files shall be maintained that include all of the following:

The basis for contractor selection.

Justification for lack of competition when competitive bids or offers are not obtained.

The basis for award cost or price.

5. STEPS shall make all procurement files available for inspection upon request by a Federal Awarding Agency.
6. All contracts with vendors shall require the vendor to certify in writing that it has not been suspended or disbarred from doing business with any federal agency.

In addition, no employee, officer, or agent of STEPS shall participate in the selection, award or administration of a contract supported by Federal funds if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, or agent, any member of her or his immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected for an award.

Solicitations of Bids from Vendors

All purchases in excess of \$5,000 (per unit) shall be made by obtaining oral or written quotations from at least two responsible vendors.

All purchases of at least \$5,000, but less than \$100,000, shall be made by obtaining written quotations from at least two responsible vendors. Bids from audit firms to perform audits would not be considered purchases as defined in this section and would therefore be exempt from the necessity of a written bid.

All purchases of \$10,000 or more shall be made by obtaining competitive proposals from at least *three* responsible vendors. Sealed *bids* shall be utilized *when required* by the Federal awarding agency.

STEPS shall not utilize the "cost-plus-a-percentage-of-cost" method of contracting with vendors. All other policies and procedures associated with procurement under Federal awards shall be governed by the policies applicable to all purchases of STEPS, described in the section of this manual on "Policies Associated with Expenditures and Disbursements."

Provisions Included in all Contracts

It is the policy of STEPS to include all of the following provisions, as applicable, in all contracts (including small purchases) with vendors and sub-grants to grantees:

1. Equal Employment Opportunity: All contracts shall contain a provision requiring compliance with E.O. 11246, "Equal Employment Opportunity," as amended by E.O. 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and as supplemented by regulations at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."
2. Copeland "Anti-Kickback" Act (18 U.S.C. 874 and 40 U.S.C. 276c): All contracts and subgrants in excess of \$2,000 for construction or repair awarded by STEPS and its subrecipients shall contain a provision for compliance with the Copeland "Anti-Kickback" Act (18 U.S.C. 874), as supplemented by Department of Labor regulations 29 CFR part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States." This Act provides that each contractor or subrecipient shall be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. It is the policy of STEPS to report all suspected or reported violations to the Federal awarding agency.
3. Davis-Bacon Act, as amended (40 U.S.C. 276a to a-7): If included in the federal agency's grant program legislation, all construction contracts of more than \$2,000 awarded by STEPS and its subrecipients shall include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 276a to a-7) and as supplemented by Department of Labor regulations (22 CFR part 5, "Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction"). Under this Act, contractors are

required to pay wages to laborers and mechanics at a rate not less than the minimum wages specified in a wage determination made by the Secretary of Labor. In addition, contractors shall be required to pay wages not less than once a week. It is the policy of STEPS to place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation and the award of a contract shall be conditioned upon the acceptance of the wage determination. STEPS shall also obtain reports from contractors on a weekly basis in order to monitor compliance with the Davis-Bacon Act. STEPS shall report all suspected or reported violations to the Federal awarding agency.

4. Contract Work Hours and Safety Standards Act (40 U.S.C. 327-333): Where applicable all contracts awarded by STEPS in excess of \$2,000 for construction contracts and in excess of \$2,500 for other contracts that involve the employment of mechanics or laborers shall include a provision for compliance with Sections 102 and 107 of the Contract Works Hours and Safety Standards Act (40 U.S.C. 327-333), as supplemented by Department of Labor regulations (29 CFR part 5). Under Section 102 of the Act, each contractor is required to compute wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than 1-1/2 times the basic rate of pay for all hours worked in excess of 40 hours in the work week. Section 107 of the Act is applicable to construction work and provides that no laborer or mechanic shall be required to work in surroundings or under working conditions that are unsanitary, hazardous, or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.
5. Rights to Inventions Made Under a Contract or Agreement: Contracts or agreements for the performance of experimental, developmental, or research work shall provide for the rights of the Federal Government and STEPS in any resulting invention in accordance with 37 CFR part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency.
6. Clean Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), as amended: Contracts and subgrants of amounts in excess of \$100,000 shall contain a provision that requires the recipient to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act, as amended (33 U.S.C. 1251 et seq.). Violations shall be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).
7. Byrd Anti-Lobbying Amendment (31 U.S.C. 1352): For all contracts or subgrants of \$100,000 or more, STEPS shall obtain from the contractor or subgrantee a certification that it will not and has not used Federal appropriated

funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.G. 1352. Likewise, since each tier provides such certifications to the tier above it, STEPS shall provide such certifications in all situations in which it acts as a sub-recipient of a sub-grant of \$100,000 or more.

8. Debarment and Suspension (E.O.s 12549 and 12689): For all contracts in excess of the small purchase threshold fixed at 41 U.S.C. 403(11) (currently \$100,000), STEPS shall obtain from the contractor a certification that neither the contractor nor any of its principal employees are listed on the General Services Administration's List of Parties Excluded from Federal Procurement or Nonprocurement Programs.
9. Remedies: All contracts in excess of the small purchase threshold fixed at 41 U.S.C. 403(11) (currently \$100,000) shall contain contractual provisions or conditions that allow for administrative, contractual, or legal remedies in instances in which a contractor violates or breaches the contract terms.
10. Termination: All contracts in excess of the small purchase threshold fixed at 41 U.S.C. 403(11) (currently \$100,000) shall contain suitable provisions for termination by STEPS, including the manner by which termination shall be effected and the basis for settlement. In addition, such contracts shall describe the conditions under which the contract may be terminated for default as well as conditions where the contract may be terminated due to circumstances beyond the control of the contractor.

Equipment and Furniture Purchased With Federal Funds

STEPS may occasionally purchase equipment and furniture that will be used exclusively on a program funded by a Federal agency. In addition to those policies on Asset Management described earlier, equipment and furniture charged to Federal awards will be subject to certain additional policies as described below.

For purposes of Federal award accounting and administration, "equipment" shall include all assets with a unit cost equal to the lesser of \$5,000 or the capitalization threshold utilized by STEPS, described under Asset Management.

All purchases of "equipment" with federal funds shall be approved in advance in writing by the federal awarding agency. In addition, the following policies shall apply regarding equipment purchased and charged to federal awards:

- Any equipment that is owned by the Federal government and given to STEPS for use in a program shall be marked as such.
- Adequate insurance coverage will be maintained with respect to equipment and furniture charged to Federal awards.
- For equipment (or residual inventories of supplies) with a remaining per unit fair market value of \$5,000 or less at the conclusion of the award, STEPS

shall retain the equipment without any requirement for notifying the federal agency. If the remaining per unit fair market value is \$5,000 or more, STEPS shall gain a written understanding with the federal agency regarding disposition of the equipment. This understanding may involve returning the equipment to the federal agency, keeping the equipment and compensating the federal agency, or selling the equipment and remitting the proceeds, less allowable selling costs, to the federal agency.

- The STEPS Chief Financial Officer shall determine whether a specific award with a Federal agency includes additional equipment requirements or thresholds and requirements that differ from those described above.
- A physical inventory of all equipment purchased with federal funds shall be performed at least once every two years. The results of the physical inventory shall be reconciled to the accounting records of and federal reports filed by STEPS.

Standards for Financial Management Systems

In accordance with OMB Circular A-110, it is the policy of STEPS to maintain a financial management system that provides for the following:

- Accurate, current and complete disclosure of the financial results of each federally-sponsored project or program in accordance with the reporting requirements of Circular A-110 and/or the award.
- Records that identify adequately the source and application of funds for federally-sponsored activities. These records shall contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, outlays, income and interest.
- Effective control over and accountability for all funds, property and other assets. STEPS shall adequately safeguard all such assets and assure they are used solely for authorized purposes.
- Comparison of outlays with budget amounts for each award. Whenever possible, financial information shall be related to performance and unit cost data.
- Written procedures to minimize the time elapsing between the transfer of funds to STEPS from the U.S. Treasury and the issuance or redemption of checks, warrants or payments by other means for program purposes by the recipient.
- Written procedures for determining the reasonableness, allocability and allowability of costs in accordance with the provisions of the applicable Federal cost principles and the terms and conditions of the award.
- Accounting records including cost accounting records that are supported by source documentation.

Budget and Program Revisions

It is the policy of STEPS to request prior approval from Federal awarding agencies for any of the following program or budget revisions:

- Change in the scope or objective of the project or program, even if there is no associated budget revision requiring prior written approval.

- Change in a key person (project director, etc.) specified in the application or award document.
- The absence for more than three months, or a 25 percent reduction in time devoted to the project, by the approved project director or principal investigator.
- The need for additional Federal funding.
- The transfer of amounts budgeted for indirect costs to absorb increases in direct costs, or vice versa, if approval is required by the Federal awarding agency.
- The inclusion, unless waived by the Federal awarding agency, of costs that require prior approval in accordance with OMB Circular A-122.
- The transfer of funds allotted for training allowances (direct payment to trainees) to other categories of expense.
- Unless described in the application and funded in the approved awards, the subaward, transfer or contracting out of any work under an award (However, this provision does not apply to purchases of supplies, materials, equipment or general support services).

Close Out of Federal Awards

STEPS shall follow the close out procedures described in OMB Circular A-110 and in the grant agreements as specified by the granting agency.

STEPS and all subrecipients shall liquidate all obligations incurred under the grant or contract within 90 days of the end of the grant or contract agreement.

CHARGING OF COSTS TO FEDERAL AWARDS

Overview

It is the policy of STEPS that only costs that are reasonable, allowable and allocable

to a Federal award shall be charged to that award directly or indirectly. All unallowable costs shall be appropriately segregated from allowable costs in the general ledger in order to assure that unallowable costs are not charged to Federal awards.

Segregating Unallowable From Allowable Costs

The following steps shall be taken to identify and segregate costs that are allowable and unallowable with respect to each federal award:

1. The budget and grant or contract for each award shall be reviewed for costs specifically allowable or unallowable.
2. Accounting personnel shall be familiar with the allowability of costs provisions of OMB Circular A-122, "Cost Principles for Non-Profit Organizations", particularly:
 - a. The list of specifically unallowable costs found in Attachment B (Selected Items of Cost), such as alcoholic beverages, bad debts, contributions, fines and penalties, lobbying, etc.
 - b. Those costs requiring advance approval from Federal agencies in order to be allowable in accordance with Attachment B, such as foreign travel, equipment purchases, etc.
3. No costs shall be charged directly to any Federal award until the cost has been determined to be allowable under the terms of the award and/or OMB Circular A-122.
4. For each Federal award, an appropriate set of general ledger accounts shall be established in the chart of accounts of STEPS to reflect the categories of allowable costs identified in the award or the award budget.
5. All items of miscellaneous income or credits, including the subsequent write-offs of uncashed checks, rebates, refunds, and similar items, shall be reflected for grant accounting purposes as reductions in allowable expenditures if the credit relates to charges that were originally charged to a Federal award or to activity associated with a Federal award. The reduction in expenditures shall be reflected in the year in which the credit is received (i.e. if the purchase that results in the credit took place in a prior period, the prior period shall not be amended for the credit.)

Criteria for Allowability

It is the policy of STEPS that all costs must meet the following criteria in order to be treated as allowable direct or indirect costs under a Federal award:

1. The cost must be "reasonable" for the performance of the award, considering the following factors:

- b. Whether the cost is of a type that is generally considered as being necessary for the operation of STEPS or the performance of the award;
 - c. Restraints imposed by such factors as generally accepted sound business practices, arm's length bargaining, Federal and state laws and regulations, and the terms and conditions of the award;
 - d. Whether the individuals concerned acted with prudence in the circumstances;
 - e. Consistency with established policies and procedures of STEPS, deviations from which could unjustifiably increase the costs of the award.
2. The cost must be "allocable" to an award by meeting one of the following criteria:
 - a. The cost is incurred specifically for a Federal award;
 - b. The cost benefits both the Federal award and other work, and can be distributed in reasonable proportion to the benefits received; or
 - c. The cost is necessary to the overall operation of STEPS, but, where a direct relationship to any particular program or group of programs cannot be demonstrated.
 3. The cost must conform to any limitations or exclusions of OMB Circular A-122 or the Federal award itself.
 4. Treatment of costs must be consistent with policies and procedures that apply to both Federally financed activities and other activities of STEPS.
 5. Costs must be consistently treated over time.
 6. The cost must be determined in accordance with generally accepted accounting principles.
 7. Costs may not be included as a cost of any other Federally financed program in the current or prior periods.
 8. The cost must be adequately documented.

Direct Costs

Direct costs include those costs that are incurred specifically for one award or non-Federal function. STEPS identifies and charges these cost exclusively to each award or program.

Each invoice shall be coded with the-appropriate account number reflecting which program received direct benefit from the expenditure. Invoices are approved by the appropriate program manager and reviewed by the Chief Financial Officer.

Time sheets or personnel activity reports, described earlier, are also submitted on a regular basis reflecting employees' work and which programs directly benefited from their effort. Time sheets or personnel activity reports shall serve as the basis for charging salaries directly to Federal awards and non-Federal functions.

Equipment purchased for exclusive use on a federal award and reimbursed by a

federal agency shall be accounted for as a direct cost of that award (i.e. such equipment shall not be capitalized and depreciated).

Accounting for Specific Elements of Cost

STEPS shall utilize the following methods of charging specific elements of cost to federal awards as direct or indirect costs:

Salaries and Wages - Salaries and wages shall be charged directly and indirectly based on the functions performed by each employee, as documented on each employee's timesheet, as follows:

Direct costs - The majority of the employees of STEPS charge their time directly since their work is specifically identifiable to specific grants or other (non-federal) programs or functions of STEPS.

Mixed charges - The following employees may charge their salary costs to both direct and indirect activities:

President & CEO

Chief operating Officer

Chief Financial Officer

Project Manager

Financial Assistants

Compensated absences (vacation leave earned, sick leave used, and holiday pay) are considered part of salary costs. The accounting system of STEPS records salaries associated with compensated absences as a direct or indirect cost in the same manner that salary costs are recorded.

Employee Benefits - STEPS incurs costs for the following statutory and non-statutory employee benefits:

FICA

Unemployment insurance

Workers compensation

Health insurance

Life insurance

Disability insurance

Matching contributions to 403b pension plan

Sick Leave

Annual Leave Paid Holidays

Since the STEPS accounting system tracks employee benefit costs by individual employee, each such benefit cost shall be charged directly and indirectly in the same proportion as each individual's salary.

Occupancy Expenses - Monthly rent expense and related pass-through expenses shall be allocated directly and indirectly, based on approximate square footage of space utilized, as follows:

Direct costs - The cost of space occupied by staff whose salaries are directly charged

to federal awards is charged directly to those same awards

Indirect costs - The costs of space occupied by staff whose salaries are indirectly charged is also charged indirectly. The cost of space for staff whose salaries are charged on a mixed basis (directly and indirectly) shall be allocated on a mixed basis in the same ratio as their salaries are allocated. The cost of space associated with common areas, such as hallways, restrooms, and conference rooms, shall be accounted for as an indirect cost.

Utilities - Utilities costs incurred by STEPS include electricity and water. Such utilities costs shall be charged directly and indirectly in the same proportion as occupancy costs.

Supplies and Materials - To the maximum extent possible, office supplies and materials are charged directly to the grant or program/function that uses the supplies or materials, based on the completion of a supplies usage form. All supplies and materials used by staff members who are engaged in indirect activities shall be charged indirectly.

Postage and Shipping - To the maximum extent possible, postage and shipping costs shall be charged directly to the grant or program/function that benefits from the postage or shipping costs.

Photocopying and Printing - Photocopying costs include all paper and copy supplies, copier maintenance charges and the actual lease cost of the copier. Photocopying costs shall be charged directly and indirectly based on the user codes input into the copier prior to making photocopies. All printing costs are charged directly to the benefiting grant or program/function.

Communications - Communications costs include the costs of local telephone service and long-distance telephone charges, including charges associated with telephone calls, facsimile transmissions, and Internet dial-up connections. Local telephone service costs are charged directly and indirectly based upon the number of telephone units assigned to STEPS. Each telephone unit of STEPS is identified to either a direct or an indirect activity, as determined annually based on an approximation of time charges of employees associated with each telephone unit. No telephone units shall be charged as mixed-use units due to the immateriality of the costs involved. For example, if STEPS has 100 telephone units and 15 of those units are assigned to employees who work directly on a particular grant, 15 percent of each month's local telephone service costs shall be allocated to that grant.

Long-distance telephone calls are charged either directly or indirectly based upon whether a direct or indirect activity benefits from the transmission.

Outside Services - STEPS incurs outside service costs for its annual audit, legal fees, and for staff development specialists. Outside service costs shall be charged as follows:

Audit fees - Cost of the financial statement audit and preparation of Form 990 shall

be charged as an indirect cost. Additional audit costs associated with that portion of the audit associated with OMB Circular A-133 shall be charged directly to the audited programs, based on estimates received from the independent CPA firm.

Legal fees - Legal fees shall be charged directly to the program/function that benefits from the services. Legal fees that are not identifiable with specific direct grants or programs shall be charged indirectly.

Staff Development Specialists - Costs associated with staff development specialists shall be charged directly to the program/function that benefits from the services. Fees that are not identifiable with specific direct grants or programs shall be charged indirectly.

Insurance - To the extent that insurance premiums are associated with insurance coverage for specific grants or programs, those premium costs shall be charged directly. All insurance costs that are not identifiable with specific direct grants or programs (such as STEPS' general liability coverage) shall be charged indirectly.

Credits - The applicable portion of any credits resulting from cash discounts, volume discounts, refunds, write-off of stale outstanding checks, trade-ins, scrap sales or similar credits shall be credited directly or indirectly in the same manner as the purchase that resulted in the credit.

Cost Sharing and Matching - It is the policy of STEPS to value contributed services and property that are to be used to meet a cost sharing or matching requirement at their fair market values at the time of contribution, unless award documents or Federal agency regulations identify specific values to be used.

STEPS shall claim contributions as meeting a cost sharing or matching requirement of a Federal award only if all of the following criteria are met:

- They are verifiable from STEPS records
- They are not included as contributions for any other federally-assisted project or program.
- They are necessary and reasonable for proper and efficient accomplishment of project or program objectives.
- They are allowable under OMB Circular A-122.
- They are not paid by the Federal government under another award, except where authorized by Federal statute to be used for cost sharing or matching.
- They are provided for in the approved budget when required by the Federal awarding agency.
- They conform to all provisions of OMB Circular A-110.
- In the case of donated space, the space is subject to an independent appraisal to establish its value.

Contributed services used for cost sharing or matching purposes shall be valued at rates consistent with those rates paid for similar work in STEPS (match up experience and skill level), including an estimate of reasonable fringe benefits. In cases in which the required skills are not found in STEPS, rates used shall be

consistent with those paid for similar work in the labor market in which STEPS competes.

It is the policy of STEPS to require volunteers to document and account for their contributed time in a manner similar to the time-keeping system followed by STEPS employees.

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THE SENIOR COMMUNITY SERVICE EMPLOYMENT PROGRAM

The Senior Community Service Employment Program (SCSEP) is a federally-funded employment training and placement program for income-eligible persons 55 years of age or older. Its mission is to provide employers with trained and motivated workers. The SCSEP, an Equal Opportunity Program, is funded by the U. S. Department of Labor (DOL) and overseen at the state level by the Virginia Department of Aging and Rehabilitative Services (DARS). Within the South Central Region of Virginia, the SCSEP program is administered by STEPS, Inc.

The SCSEP has four major goals:

- To upgrade job skills of the mature person for job placement
- To help the mature person get involved in his/her community
- To provide community service
- To provide added income during training

A BRIEF HISTORY

During the 1960's, President Lyndon Baines Johnson announced his "War on Poverty" campaign. The Senior Community Service Employment Program (SCSEP), Title V of the Older Americans Act, was a product of this campaign. It is still believed that many mature people with outdated skills are looking for work. Some are no longer working due to layoffs, plant closures or forced retirements. Others, mainly women, have never worked outside the home. Additionally, many people have been confronted with age discrimination by employers in hiring, promotion, and retention practices.

SCSEP exists to address the rapid increase in the number of Americans over 50 years old and the startling shortage of workers who are qualified to fill the nation's job openings. With both trends showing strong signs of accelerating over the next several decades, older Americans are in a position to become a tremendously productive, dynamic and cost-effective resource for the country's Workforce Program. (NCOA Manual, 2005)

BASIC ELIGIBILITY

To be eligible for participation in SCSEP, an individual must meet **ALL** of the following criteria for age, income, employment status, place of residence, and eligibility to work. Other regulatory factors may impact acceptance into the program.

- a. **Age**-Each individual must be at least 55 years of age. No upper age limit is imposed for initial enrollment or continued enrollment.
- b. **Income**-The family (**household**) income of an applicant or participant must not exceed **125%** of the federal poverty guidelines established and updated each year.
- c. **Employment Status**-Each individual must be **unemployed** at the time of application **and** while enrolled in the program.
- d. **Residency**-Each individual, upon initial enrollment, must reside in the state of Virginia. Additionally, each individual must reside in one of the following counties: Amelia, Buckingham, Brunswick, Charlotte, Cumberland, Halifax, Mecklenburg, Lunenburg, Nottoway or Prince Edward.
- e. **Eligibility to work**- All applicants must prove their eligibility to work in the United States by completing the Immigration and Naturalization Service Form I-9.
- f. **Final Eligibility Approval**-Final approval for program eligibility/enrollment will be determined by the SCSEP Program Director.

ENROLLMENT PRIORITY OF SERVICE

Under conditions set forth by Congress in Sections 518(b)(1),(2) of the Older Americans Act, there is a priority of service to ensure service availability for those most in need.

Veterans:

First priority of service will be provided to veterans/eligible spouses, widows, and widowers who also meet the SCSEP's basic eligibility criteria.

Equitable Distribution:

Second priority of service will be provided to applicants who meet the SCSEP basic eligibility criteria and who reside within one of the served counties where a program "slot" is open at the time of application. If an applicant meets all other program eligibility criteria, but there is not a slot available within the applicant's county of residence at the time of application, he/she can be placed on a waiting list. Placement on a waiting list does not guarantee the applicant will be "next-in-line" for a slot as other priority-of-service regulations can supersede the Equitable Distribution regulation.

Significant Barriers to Employment:

Third priority of service will be provided to applicants who meet the SCSEP basic eligibility criteria and possess significant barriers to employment. Examples of significant barriers are listed below. Possession of significant barriers to employment does not guarantee the applicant will be enrolled before other applicants as other priority-of-service regulations can supersede the Significant Barriers to Employment regulation.

Examples of significant barriers to employment:

- a. Has a disability;
- b. Has limited English proficiency and/or low literacy skills;
- c. Resides in a rural area;
- d. Has failed to find employment after using services provided by the One-Stop Delivery System;
- e. Is homeless or at risk of homelessness;
- f. Has low employment prospects.

Low employment prospects is defined as an eligible individual who is not likely to obtain employment without the assistance of the SCSEP or some other employment training program. Persons with low employment prospects include, but are not limited to, individuals:

1. Without a substantial employment history;
2. Who lack basic skills;
3. With low English language proficiency;
4. Who are displaced homemakers;
5. Who do not possess a high school diploma/GED;
6. Who live in areas where employment opportunities are limited.

PHYSICALS

SCSEP participants are offered a physical examination upon enrollment into the program and again during their annual re-certification for as long as they remain in the program. SCSEP will reimburse participants a maximum of \$50.00 towards the cost of the examination. The annual physical exam is a SCSEP fringe benefit. Each participant is strongly encouraged to take advantage of this benefit as doing so could assist in discovering potential medical concerns. The examining physician must provide the participant a written report of the results of the examination. Participants may, at their discretion, provide a copy of the report to the SCSEP.

TRAINING SITE REQUIRED PHYSICAL EXAMINATIONS AND/OR DRUG SCREENINGS

In the event a participant is to be placed at a host site that requires a physical examination and/or drug screening, compliance will be at his/her discretion. If the participant declines to complete these host-site requirements, a different host site will need to be sought.

RETURN TO WORK STATEMENT

In the event a participant is absent three or more consecutive days from the training site due to illness or suffers from a trauma that could potentially be serious, he/she may be required to provide a "return to work" release from a medical practitioner. If, in the event a participant is exhibiting unusual behavior or is suddenly unable to perform training site duties, a physical examination could be required to ensure the safety and wellbeing of the participant. If an examination is required by the Program Administrator, SCSEP will reimburse the participant for the cost of the exam up to a maximum of \$95.00.

TRAINING SITE RESONABLE ACCOMMODATIONS

It is SCSEP's goal to make every effort to assist participants with accessing training/training sites. All training sites will be encouraged to make reasonable accommodations based on the participant's needs. However, it is the decision of the training sites as to whether they can/are willing to make such accommodations. In the event the training site is unwilling/unable to meet the participant's needs, an alternate training site will be sought.

BACKGROUND INVESTIGATIONS

In the event a training site should require a background investigation, the participant will have to comply in order to train at the site. If the participant does not want to comply, an alternate training site will be sought. If the participant chooses to comply, SCSEP will reimburse the participant or the training site for the cost of the background investigation, providing an acceptable receipt/invoice is presented.

ORIENTATION

Each new participant will receive an orientation prior to beginning training. The purpose of the orientation is to provide the participant the essential information needed in order to be successful in the SCSEP. Participants are encouraged to ask questions as necessary to ensure complete understanding of the program. The orientation will include, but may not be limited to, the following:

- a. The role of STEPS, Inc.;
- b. SCSEP goals and objectives;
- c. Enrollment Agreement;
- d. Participant rights and responsibilities;
- e. Policies on training hours, wages, and fringe benefits;
- f. The Individual Employment Plan (IEP);
- g. Training opportunities;
- h. Job search requirements;
- i. Available supportive services;
- j. Political and religious activities;
- k. Safe working habits and conditions;
- l. Procedures for reporting accidents and handling emergencies;
- m. The Age Discrimination in Employment Act (ADEA);
- n. The Drug-Free Workplace Act of 1998;
- o. Grievance procedures;
- p. Time sheet preparation;
- q. Leave without pay;
- r. Make-up time;
- s. Volunteer hours;
- t. Worker's Compensation;
- u. Training site transfers;
- v. Re-certification requirements;
- w. Durational time limits;
- x. Training seminars/SCSEP meetings;
- y. Participant Handbook;

ASSESSMENT

The initial assessment process provides the basic framework for the Individual Employment Plan (IEP). The comprehensive assessment process seeks to identify a participant's existing work skills, deficits, job preferences and any barriers to employment. From the assessments, the appropriate training site assignment, employment training opportunities, services/activities will be determined and described on the IEP. The assessment process could include:

- a. Vocational testing and interest surveys;
- b. Informal (personal questionnaires) and formal structured interviews;
- c. Observations of an individual's attitudes, behavior and body language;
- d. Basic skills testing;
- e. Workbooks/exercises;
- f. Interests/skills/values assessments to help the individual identify his/her job preferences and options;

INDIVIDUAL EMPLOYMENT PLAN (IEP)

The IEP is perhaps the most important part of a participant's training. The purpose is to outline a strategy that will assist each participant in achieving his/her employment goals. The assessment and IEP are used to develop a training assignment for each participant with every participant receiving an initial employment goal.

Development of the IEP is a collaborative effort and will include input from the SCSEP representative, participant and training site staff. Like any agreement, if the participant is unwilling to commit to the training plan then it is null and cannot be implemented. The participant must be able to help create the plan and commit him/herself to making it a success. Thus, every participant will be given a copy of their IEP so that they can be assured of the agreed upon goals.

Each participant's IEP will be reviewed for progress on a regular basis but not less than once every six months in unison with their assessment. The reviewer will consider at least the following questions:

- a. Have the goals been met?
- b. Do the goals need to be revised?
- c. Is the training site assignment appropriate for the participant?
- d. Has there been progress towards the goals?
- e. What is the participant's current potential for transition to unsubsidized employment?
- f. Is the participant job-ready?
- g. Is the participant motivated towards completing the plan's steps?
- h. Does the IEP need to be revised due to circumstances other than those related to the participant's goals?

Upon review of the IEP, it is possible that an alternative training assignment for a participant may be warranted. Examples of such situations are:

- a. A different training assignment would provide greater opportunities for the participant to improve his/her skills and aptitudes;
- b. A different training assignment would provide work experience which will enhance the participant's potential for unsubsidized employment;
- c. A different training assignment would assist the participant in addressing recurring concerns that could potentially inhibit their success in SCSEP or on a job.

If a participant is approaching their durational limit in SCSEP, they will receive a transitional IEP to assist them in becoming not only job ready but to ensure they have a support system in place, understand their budgetary constraints when the SCSEP wages are no longer available and are connected to the necessary public agencies to include volunteer programs that can assist them in needed areas. Examples of such agencies would be the local department of social services, churches, civic agencies, etc.

TRAINING SITE ASSIGNMENTS

A significant portion of the participant's training is conducted on a training site. A training site is a public agency or a private non-profit organization (501(c)3), which provides training in the job skills being sought by the participant, as specified in his/her IEP. Training sites are also required to provide adequate supervision and a safe work environment. A participant's program enrollment is considered complete upon successful assignment to a host site.

The purpose of SCSEP is to prepare participants for unsubsidized employment while providing service to the community, either through the expansion of existing services or the establishment of new services. All training site assignments will be developed with regard to the participant's skills, abilities, interests, and employment barriers.

Once a participant has completed his/her training site assignment, they must be considered for transfer to another training site. Under no circumstances should one training site assignment or training duty serve as a participant's sole reason for remaining on a particular training site or in SCSEP. This is of particular importance because it is the participant's growth/continued attainment of employment skills that is the most important function of them being placed on a training site.

While on a training site, each participant will be given a work schedule, and it must be followed. The participant is not to engage in any duties that are not on the Training Assignment Description (TAD). The participant cannot exceed the designated training hours and under no circumstances can they exceed the training site's daily or weekly hours without prior approval from the Program Administrator.

Supervision shall be provided in some form on a daily basis. SCSEP participants shall receive supervision and training at the same rate (more frequently, if necessary) as agency employees who perform comparable duties.

The participant's attendance at training site staff meetings or other training opportunities is vital to the growth of the participant. Training sites are encouraged to include participants in these meetings. If the training site should require that a participant participate in certain trainings and/or meetings, then per the Participant Acknowledgement of Terms of Enrollment, those meetings are considered to be mandatory. Failure to attend such meetings could result in removal from the program.

TRAINING SITE TRANSFERS

Participant growth and development is the primary focus of the training site assignment. It is a best practice to transfer a participant to different training site assignments on a periodic basis. Not only does the probability that participant will be placed in an unsubsidized position decrease as they remain in a single training position, but the longer a participant is on one training assignment the more difficult it is for the participant to adjust when the time comes for him/her to be transferred. Therefore, on a periodic, but at least annual basis, each participant will be evaluated to determine if their training site placement continues to be the best place for him/her to continue with their employment training. If in the event a training site has met all the participant's training needs that can be met in their environment, the participant will be transferred. Participants must remember that a training site placement should always be considered temporary and unless the employer can hire him/her, then they will be transferred at some point.

In the event that a participant is going to be transferred, he/she along with the training site manager will be given as much advanced notice as possible. It is the goal of the program to give at least a thirty day notice.

EMERGENCY/IMMEDIATE TRAINING SITE TRANSFER

Although it is the goal of SCSEP for every training-site placement to be a positive and successful experience for everyone involved, we recognize that there are times when this is not the case. Because each participant serves as a guest at every training site, it is imperative that the site feel comfortable with the participant being a part of their organization and that they are willing to continue offering the participant a positive and productive training experience. If a training site becomes unable/unwilling to continue training a particular participant and request that the participant be removed from their site, their request will be immediately honored.

In the event a site requests a participant's immediate removal or the participant's behavior is such that the Program Administrator requires his/her immediate removal from a site, he/she will be removed without regard to assignment/availability of an alternative training site. If this should occur, the participant will not be paid training wages until they are placed and training begins at a new site.

ADDITIONAL TRAINING ACTIVITIES

In addition to the work experience each participant will receive while on the training site, other training or educational opportunities may be available through the Virginia Workforce Network. Each participant is encouraged to apply for assistance through the WIA Adult/Dislocated Worker Program for further training assistance. In addition, each participant is **REQUIRED** to register with the local Virginia Employment Commission. The local community college is a wonderful asset to seniors seeking specialized training and education and each participant is strongly encouraged to seek continuing education opportunities.

PARTICIPANT MEETINGS/TRAININGS

Every SCSEP participant meeting, training and class is mandatory. Whenever possible, these events will be scheduled and announced far in advance. It is the responsibility of each participant to notify their training site supervisor of the meeting, training or class so they can make arrangements for his/her absence. Because all meetings, trainings and classes are required, participants will be paid the time of attendance. The participant will **NOT** be paid for travel to/from the event or for preparation time.

The program covers a large geographic area. Due to this, it is not always possible to schedule program events at locations which are convenient to all participants. If attending a program event requires a participant to exceed the distance typically traveled to/from his/her regular training site, it is POSSIBLE for them to request reimbursement for the additional expense(s) incurred. The Program Administrator will review and consider all reimbursement requests and will provide prior approval if deemed appropriate AND travel reimbursement funds are available.

SUPPORT SERVICES

SCSEP strongly advocates for each participant to receive all necessary assistance for which they qualify. Therefore, if in the event a participant should need such services as fuel assistance, food stamps, public housing, food bank, mental health or substance abuse treatment, etc., he/she is strongly encouraged to contact their SCSEP Case Manager for referral information.

EVALUATION OF TRAINING

Each participant and training site will be evaluated on a periodic basis but not less than one time per year. At the time of the participant's re-certification, the training site and participant will receive a performance evaluation to complete. The evaluation is meant to assess the performance of the participant on the training site and his/her performance of assigned duties. The following factors will be considered on the performance evaluation:

- a. The appropriateness of the requirements of the of the current training site;
- b. The nature of the training being provided;
- c. The level of skills and abilities of the participant;
- d. The possibility of upgrading the training assignment on the current training site;
- e. The general job performance of the participant;
- f. The location of the training site in relation to the participant's residence;
- g. The progress of the participant towards meeting their IEP goals;
- h. The support and encouragement of the training site supervisor to motivate the participant in meeting their training and employment goals and objectives;
- i. The potential of the training site to hire the participant;
- j. The possibility of the training site to offer additional training opportunities in order to upgrade the participant's skills;

SCSEP participants are required to continuously seek unsubsidized employment. The training site supervisor will offer assistance but it is the responsibility of the participant to actively seek and apply for employment. **PARTICIPANTS MUST REMEMBER THAT SCSEP AND THE ACCOMPANYING TRAINING SITE IS AN EMPLOYMENT TRAINING PROGRAM AND NOT A JOB.**

USUBSIDIZED JOB PLACEMENT

It is the goal of the SCSEP to assist every participant with attaining a job. In some cases the training site may be able to hire the participant and in other cases, the participant will get a job with another employer. In either case, the participant is expected to take an active role in finding a job.

SCSEP realizes that the greater the participant's skills and knowledge, the better the chances they will have in gaining employment so there are instances where the participant will be required to attend mandatory training or workshops. These trainings may include but are not limited to:

- a. GED classes;
- b. Tutoring;
- c. Application completion;
- d. Resume writing;
- e. Interviewing;
- f. Dressing for success;
- g. Work readiness skills;

In some instances, the participant may receive a job referral or advertisement from a SCSEP representative. It is always MANDATORY that the participant respond to these referrals by applying for the job. If the participant cannot apply for the referred position(s), he/she must contact their SCSEP Case Manager and provide an explanation. As written in the Participant Terms of Enrollment that is signed at the time of eligibility determination, *every participant agrees to seek unsubsidized employment. They also agree to go on all appropriate job interviews to which they are referred, or instructed to arrange, and they will report any job-seeking activities to the SCSEP representative as requested.* Participants are reminded that failure to seek unsubsidized employment can result in termination from the program. You are expected to take an active role in job search activities and keep the program staff informed of your efforts. If offered employment, you are not required to provide advance notice before leaving the SCSEP program.

RE-CERTIFICATION

Each participant must be re-certified at least annually. Each participant is required to provide documented proof of their ability to work in the United States (i.e., driver's license/ID card, Social Security Card) AND proof of their HOUSEHOLD income for the past 12 months.

A program representative will be able to assist participants in determining which documents will be needed in order to complete the re-certification process. Re-certification is MANDATORY and every effort must be made to meet with a program representative on the assigned date. Failure to comply with re-certification requirements will result in a Stop Work Notice and, if not resolved within an acceptable time frame, could result in termination from the program.

Because a participant's situation can change prior to annual re-certification, a special re-certification can be requested by the Program Administrator. Some of the typical situations necessitating re-certification and typical outcomes are listed below.

- a. The participant is found to be ineligible for continued enrollment due to exceeding the 125% Federal poverty guidelines: He/she will be given 30 days advance notice of pending termination from the program. He/she will be counseled by program staff concerning their right to appeal the decision and the specific steps that must be taken to do so. Additionally, a reasonable effort will be made to place the participant in a job or find other supportive services for him/her.
- b. The participant provides false eligibility documentation: He/she will be provided written notice of immediate termination from the program.
- c. The participant is found to be ineligible through no fault of their own: He/she will be given 30 days advance notice of pending termination from the program. He/she will be counseled by program staff concerning their right to appeal the decision and the specific steps that must be taken to do so. Additionally, a reasonable effort will be made to place the participant in a job or find other supportive services for him/her.

Effective July 1, 2004, under federal guidelines, participants of SCSEP cannot be employed and qualify to enroll or remain in the program. It is each participant's responsibility to inform the program staff if he/she becomes employed in order to not risk having to re-pay the SCSEP wages.

RE-ENROLLMENT

Re-enrollment in SCSEP is at the discretion of the Program Administrator. In determining whether a former participant should be re-enrolled in SCSEP, at a minimum, the following will be considered:

- a. Did the former participant take full advantage of the opportunities afforded him/her by their enrollment?
- b. Did the former participant demonstrate a commitment to the programs' objective?
- c. Did the former participant violate any conduct stands during their prior enrollment?

DURATIONAL LIMITS

The SCSEP program has a MAXIMUM life-time durational limit of 48 months. This means the total number of months a participant may be in training during his/her lifetime is 48. The program is intended to assist participants in attaining unsubsidized employment. The goal of SCSEP is for participants to complete training and obtain unsubsidized employment within a maximum of 24 months.

TIME SHEETS

SCSEP participants are typically scheduled for 20 hours of training per week. No participant can be forced to train more than 20 hours per week. Adjustments (increases/decreases) in training hours are at the discretion of the Program Administrator. Adjustments are most often due to changes in the availability of program funds.

All time must be recorded on the program time sheets provided. Training hours are to be rounded off to the nearest quarter hour. Time spent in non-host site training activities and or/meetings must be included on the time sheet AND explained in the "Comments" section.

Participants who work over 5 hours per day must take a lunch break. Participants are required to follow their training site's lunch-break policy. If accommodations are needed regarding the lunch break, participants are asked to notify the Program Administrator in writing.

Time Sheet Instructions

1. All time sheets must be reviewed and signed by the participant and host site supervisor.
2. Time sheets MUST be filled out in ink. White-out is NOT allowed.
3. The participant's name is to be written in the space provided.
4. The numbers in the top boxes of the time sheet represent the days of the month. Training hours are to be written in the box directly below the day of the month in which they were performed.

5. Time sheets are to be received by the SCSEP office no later than 10:00 am on the Monday after the pay period ends. It is a good practice to complete, review, and FAX your time sheet on your last day of training prior to the end of the pay period. STEPS'/SCSEPS' payroll time periods run from Sunday, 12:01 am to the second Saturday at 11:59 pm.
6. Should circumstances prevent a participant from forwarding his/her time sheet to the office by the deadline, it is the responsibility of their site supervisor to ensure that it is received by the deadline. If a participant's time sheet is not submitted to the office by the deadline, he/she will not be paid until the following pay-period.
7. When recording training time, hours must be rounded to the nearest quarter hour. When recording less/more than a full hour, please use decimals. An example of how hours should be recorded is below:
 - Quarter hour: .25 (ex. 1 hour and 15 minutes = 1.25)
 - Half hour: .50 (ex. 1 and ½ hours = 1.50)
 - Three quarters of an hour: .75 (ex. 1 and ¾ hours = 1.75)
8. Do not put any other information in the time boxes. Explanations, notes, etc. are to be written in the "Comment" section.

FRINGE BENEFITS

A physical will be offered to each participant at the time of enrollment and on an annual basis for as long as he/she is in the program.

SCSEP does not provide paid leave. This does not mean leave is not possible. When leave is necessary, a request should be forwarded to the participant's Case Manager as far in advance as possible. If advance notice is not possible, program staff should be notified by phone/voice mail/email. SCSEP staff will work with the participant to maximize his/her training time prior to and/or immediately after the period of leave. However, there will be NO guarantee that lost training time can/will be regained.

If a participant is scheduled to work on a federal or non-federal holiday they will be paid for the hourly wages earned. SCSEP does NOT pay time and ½ or double time. If a participant is usually scheduled to work on a day that the host site is closed for a holiday, he/she may, at the discretion of the host site supervisor, make up the missed hours prior to the end of the next pay period.

If a participant is not scheduled to work on a holiday, he/she will not be paid since no hours were worked. Worker's Compensation coverage is provided to all SCSEP participants as required by law.

MAKING UP LOST TIME

Participants are allowed/encouraged to make up time lost for any reason. However, due to potential scheduling conflicts, etc., this is at the discretion of the host site supervisor. Any made up hours must be performed during the same calendar-month and preferably during the same pay period. For example, if a snow day occurs in February, the participant (at the discretion of the site supervisor) can make up the missed hours during the month of February. If additional time is needed to make up lost hours, then prior Program Administer approval is required.

LEAVE WITHOUT PAY

Participants may be granted a leave of absence without pay for up to 30 calendar days and, under extenuating circumstances, leave may be extended to a maximum of 90 calendar days.

An unpaid leave of absence may be granted for medical or personal reasons. This may include illness of the participant or immediate family member (i.e., husband, wife, children/stepchildren, parents/in laws, sister/brother) vacation leave, jury duty, etc. These are not all inclusive and are provided as examples only.

Participants must submit leave of absence requests to the Program Administrator in writing as far in advance as possible. Requests are subject to approval by the administrator and must include an agreed upon date of return to the host agency. The participant must inform the host site supervisor of the approved leave of absence. When the participant knows of the need for a leave of absence, he/she must provide the written notice to the Program Administrator and verbal notice to the site supervisor at least two weeks in advance.

The participant remains enrolled in SCSEP while on approved leave. It is the participant's responsibility to keep the Program Administrator informed of any change of plans and to contact the Program Administrator as soon as possible when circumstances warrant a request for an extension of the leave (not to exceed a total of 90 calendar days).

An extension is subject to approval by the Program Administrator. A revised return date must be established and the host site must be informed of the revised return date. Should the participant be unable/unwilling to return to training on the agreed upon date of return, either the original or the revised date, and the participant has not contacted the Program Administrator to negotiate an extension, he/she will be exited from the program.

A total period of leave without pay shall not exceed 90 calendar days. Participants requiring more than 90 calendar days of leave at any given time MUST be exited from the program. Participants may re-apply to the program at a later date.

TRANSPORTATION

SCSEP/Title V Participants CAN NOT be reimbursed for the cost of traveling between home and the training site. Any travel reimbursement for any reason must be PREAPPROVED by the Program Administrator.

Only Participant Assistants are approved to operate a vehicle in service for the program unless otherwise designated by the Program Administrator. If the participant is approved to operate a vehicle in the service of the program, proof of the participant's private insurance coverage and a recent (2 weeks or less) driving record is required. A new driving record and proof of insurance coverage will be required at least annually.

Should mileage allowance be approved, it is on an individual basis and is approved only in the event that the participant is assigned administrative duties and travel is required to fulfill the assigned duties. Preapproved travel will be reimbursed at a rate determined by STEPS, Inc. policy. As with all services offered through SCSEP, travel reimbursement is dependent upon the availability of program funds and is NEVER guaranteed.

It is the responsibility of the participant to maintain documentation of the distance traveled and any other directly-related costs incurred. In order for the participant to request travel reimbursement, a Travel Reimbursement Form must be completed and turned in, along with all supporting documentation, with the corresponding time sheet.

CONFIDENTIALITY

SCSEP is committed to protecting each participant's confidentiality. Consequently, information designated as confidential will not be discussed with anyone outside of the SCSEP program and/or STEPS, Inc. without first obtaining written consent from the participant.

REFERENCE VERIFICATION

It is the policy of SCSEP to only verify the participant's time in the program and training site placements. If a participant desires to have additional information released, he/she must provide the Program Administrator written permission designating the information to be released and to whom it is to be given.

INCLEMENT WEATHER AND DISASTER

In the event of inclement weather or a natural/manmade disaster (hurricane, terrorist attack, earthquake, etc.), it is the policy of SCSEP to let the individual participant determine if he/she can safely report to the training site. **Participants are strongly encouraged to use sound and reasonable judgment making their personal safety and wellbeing the most important consideration.**

Participants who determine they cannot report to their training site, should make every effort to contact the site supervisor to inform him/her of the absence. If contact cannot be made with the site supervisor, the participant should attempt to contact a SCSEP staff member and inform him/her. The SCSEP staff member will then attempt to inform the site supervisor.

TRAINING SITES AND SUPERVISORS

Only public agencies or private organizations which are exempt from taxation under the provision of Section 501(c)3 of the Internal Revenue Service Code are eligible to be training sites under SCSEP.

A training site is a public agency or private non-profit organization that provides work equivalent of the participant's skills and abilities, adequate supervision, and a safe environment in which to train. Enrollment of participants funded under this project should only be in addition to employment which would otherwise be funded by the training site agency without SCSEP/Title V assistance. Participants may not displace currently employed workers, including partial displacement such as a reduction in hours of non-overtime work, or perform the same work as another person who is on layoff. Participant Assistants are considered trainees under the subcontractor.

The selection of training sites is based on, but not necessarily limited to, the following criteria:

- a. Commitment to the goals and objectives of the SCSEP;
- b. Will provide job training that is meaningful and offer opportunities for participants to enhance their occupational and interpersonal skills and be transitioned to unsubsidized employment;
- c. Will provide participants the type of training that is needed in order for them to be competitive in the local job market;
- d. Will ensure that participants receive adequate and supportive supervision;
- e. Will consider the participant for permanent placement;
- f. Will afford the participant the same consideration and treatment as other staff members;
- g. Is willing to complete/submit the required paperwork in a timely manner;
- h. Willingness of the site supervisor to renegotiate the training description when the participant needs to learn new skills and/or is ready for additional duties;
- i. Willingness to support the participant's work experience and employment goals;

PROHIBITED ACTIVITIES

Volunteer time: Participants may not volunteer or be asked to volunteer additional hours at their assigned training site. All hours must be recorded on the time sheet and not exceed the maximum allowable hours per week.

Political activities: No participant may engage in partisan or non-partisan political activities during hours for which they are being paid wages using SCSEP/Title V funds. No participant may, at any time, engage in partisan political activities in which he/she represents him/herself as a spokesperson of SCSEP/Title V or STEPS, Inc. No participant may be trained in a position involving political activities in the office of elected officials.

Sectarian activities: Participants may not participate in sectarian activities during their training activities under SCSEP.

Nepotism: No person may be enrolled in SCSEP if a member of his/her immediate family is employed in an administrative capacity with STEPS, Inc. No participant may be assigned to a training site if any member of his/her immediate family is employed in a capacity that will supervise the trainee on that site. If a participant is determined to be an immediate family member of a person employed in an administrative/supervisory capacity, another site must be found or arrangements made to change the supervisor.

PARTICIPANT MISCONDUCT

One of the functions of the SCSEP program is to identify any difficulties a participant may have in satisfactorily performing hi/her training duties, and to assist the participant through counseling and training to overcome such difficulties.

The SCSEP staff and training site supervisor are jointly responsible for addressing misconduct or unacceptable work performance by a SCSEP participant. If the training site supervisor feels the participant's behavior warrants removal from the site, this request will be honored immediately.

If the participant continues to exhibit unsatisfactory performance, misconduct or unacceptable work performance then the participant's ability to remain in SCSEP must be considered. There is a possibility that SCSEP cannot adequately serve a participant and, if this is the case, they will be referred to another agency.

PARTICIPANT PROGRAM TERMINATION

Participants may be terminated from SCSEP for the following reasons:

- **Voluntary resignation** - The individual no longer wishes/is able to participate in the program
- **Death**
- **Administrative termination** - see page 23
- **For cause termination** - see page 23

ADMINISTRATIVE TERMINATIONS

Provision of False Information: If, at any time it is determined a participant was incorrectly declared eligible as a result of false information knowingly given by that individual, the participant will be given immediate written notice explaining the reason(s) for termination. He/she will be terminated 30 days after written notice has been provided.

Eligibility Recertification: If, during recertification, a participant is found no longer eligible for enrollment, he/she will be given written notice explaining the reason(s) for termination. Termination will occur 30 days from the date notice is provided.

Incorrect Eligibility Determination: If, at any time, it is determined that a participant was incorrectly determined eligible for the program, through no fault of the participant, he/she will be given written notice explaining the reason(s) for termination. Termination will occur 30 days from the date notice is provided.

Individual Durational Time Limits: When a participant nears the program's 48 month life-time durational limit, he/she will be given 30 days written notice of termination explaining the reason(s). Termination will occur on the date of completion of 48 months.

Employed While Enrolled: If, at any time, it is determined that the participant is employed and has failed to report his/her employment status to the program staff and has continued to participate in SCSEP, he/she will be given 30 days written notice explaining the reason(s). Termination will occur 30 days from the date notice is provided. **This does not apply to "occasional employment" that does not result in a "constant" source of income.** Occasional is defined as: "happening or done sometimes but not often". Constant is defined as: "happening all of the time or very often". Seasonal and any regularly-scheduled (regardless of number of hours) work DO NOT meet the definition of occasional. It is best practice to inform the Program Administrator of ANY paid work you obtain as he/she is charged with determining if work does/doesn't meet the criteria for occasional.

Termination for Cause: Participants can be terminated "For Cause" after being given warnings and adequate opportunity to correct the unacceptable activities. This does not apply to cases involving serious harm or imminent threat to health, safety, or property.

Warnings will be provided in the form of “corrective action letters”. Corrective action letters will be progressive in that the first letter will serve as a warning and the second and third letters will emphasize that in the event of no satisfactory corrective action, the participant will be terminated. In the event the participant does not make acceptable improvement or correct/discontinue the behavior and a decision to terminate is made, the participant will be provided written notice explaining the reason(s) for termination. Termination will occur 30 days from the date notification is provided. Participants may be removed from their training site prior to the completion of the 30-day notification period.

Termination for cause includes Individual Employment Plan (IEP) related reasons for termination and non-IEP related termination reasons.

Non-IEP Related Termination

- Intoxication, use of alcohol, or illegal or inappropriate use of drugs while at STEPS and/or the host site;
- Possession of, or use of a firearm or weapon while at STEPS and/or the host site
- Violent use of force or dangerous behavior at STEPS and/or the host site which endangers the wellbeing of participants, other staff, or self;
- Obscene or abusive language and/or behavior;
- Failure/refusal to cooperate with STEPS or host agency staff. For example: refusal to cooperate with the recertification process; refusal, without good reason, to perform assigned duties and/or instructions from the host site supervisor;
- Continued or gross negligence in performance of training duties. For example: failure to report equipment damage/need for repair; failure to follow safety requirements/regulations;
- Theft, unauthorized use, or misappropriation of STEPS or host agency property or equipment
- Insubordination;
- Frequent tardiness or unauthorized absences, including reporting the assignment late or not reporting to the assignment and not informing the supervisor. Generally, three instances of absence without good cause or without proper notice may warrant termination;
- Failure to report to work at the host agency, contact the host agency, or contact STEPS for three consecutive days and extenuating circumstances;
- Failure to attend mandatory meetings and training sessions. Participants are expected to attend required training sessions/meetings scheduled by SCSEP. Disciplinary action may be taken if a participant fails to attend one mandatory meeting and/or training session and there are no extenuating circumstances;
- Conviction of a felony or any criminal drug statute for a violation occurring in the workplace while on or off duty, or while on duty away from the workplace;
- Falsifying community service work hours
- Intentional disclosure of confidential or private information obtained from the host agency or STEPS. An example would be informing others of information that is supposed to be kept confidential;
- Other situations as deemed appropriate - this list is not intended to be all-inclusive.

IEP-Related Reasons

- Refusing to accept a reasonable number of job offers or referrals to unsubsidized employment or for not complying with the Individual Employment Plan (IEP). A participant may be subject to disciplinary action up to and including termination when he/she refuses a total of 3 job offers and/or referrals to job openings and/or to follow through with objectives to achieve goals that are based on the IEP. If the participant fails, without good cause, to cooperate fully with SCSEP staff to accomplish the goals of his/her IEP, an IEP-related termination “for cause” may be in order. Examples of lack of cooperation with SCSEP staff may include but are not limited to the following when provided for in the participant’s IEP:
 - a. Refusing to search for a job;
 - b. Sabotaging a job interview, for example, telling the interviewer that he/she is not interested in the job;
 - c. Refusing or not participating fully in training opportunities;
 - d. Refusing to transfer to a new community service training site;
 - e. Refusing to register at the One-Stop/Job Service;
 - f. Refusing to accept or lack of follow-through in obtaining supportive services that will enhance the participant’s ability to participate in a community service assignment consistent with the IEP;
 - g. Refusing to cooperate with IEP-related referrals;
 - h. Refusal to cooperate with the assessment or IEP process, e.g., refusing to participate in completing the assessment and IEP;

FUNDING LIMITATIONS

Training through the SCSEP is subject to Federal funding and may be terminated by a reduction or termination of funding from the Department of Labor. Funding limitations could result in decreased or zero hours. Training hours are not guaranteed and enrollment in SCSEP is not guaranteed beyond the current grant period.

COMPLAINT/GRIEVANCE POLICY AND PROCEDURE

Complaints/concerns should be brought first to the participant’s Case Manager. If he/she feels the Case Manager has not adequately addressed the situation and/or the complaint is about the Case Manager, the participant should take his concern/complaint to the Program Administrator. If the participant feels it necessary, STEPS, Inc./SCSEP has a formal grievance policy in place to assist him/her with the resolution process.

The definition of a grievance is a situation/concern/incident, etc. that the participant deems to have not been adequately dispensed and/or appropriately managed at the complaint level. At this point, he/she should request the information and forms necessary to file a grievance.

The grievance procedure consists of a two-step process. The first process is the “Informal Hearing”. The second step is the “Formal Hearing”.

Informal Hearing - The grievant will have the opportunity to meet with the Program Administrator or other appropriate STEPS-designated personnel to present his/her grievance informally to address and resolve the problem. The grieving participant must present his/her complaint within 30 days of the incident/occurrence. The informal hearing shall be scheduled as soon as possible at a time/location as convenient as possible to all parties involved. Proceedings shall be documented in writing with copies submitted to both parties within **three (3) working days** of the hearing. The Program Administrator’s response shall be included in the written documentation of the informal hearing. If, in the event, the Program Administrator cannot provide a response at that time, the informal hearing written documentation shall include a statement explaining such and the reason the response cannot be given at that time. In such situations, the Program Administrator shall have **three (3) additional working days** to respond to the grievance.

If the participant is not satisfied with the decision of the Program Administrator, he/she has the right to further appeal in writing to STEPS, Inc. President/CEO within **five (5) working days**.

Formal Hearing - If the informal hearing does not resolve the issue, a formal process shall be followed. The formal hearing must occur within **three (3) working days** after **receipt** of the participant’s written appeal. The proceedings shall be documented in writing. The time limit may only be extended by mutual agreement. The formal hearing process will be as follows:

1. The grievance shall be presented in writing by each party to the President/CEO. Receipt of the grievance will be documented.
2. Copies of written statements relevant to the grievance shall be made available to both parties.
3. The President/CEO or a panel designated by him/her shall hear from representatives from each party (the Formal Hearing) within three days after receipt of the formal grievance.
4. The President/CEO or designated panel shall render a decision in writing within **five (5) working days** from the date of the formal hearing. The decision shall be presented in writing to all parties involved.

The decision of the President/CEO or designated panel shall be final unless the grievant alleges that the grievance procedure was not followed or alleges a violation of federal law (other than civil rights laws) which are not resolved within 60 days under STEPS' procedures.

Minutes, along with written statements and other documentation presented at the hearing(s), shall be maintained in STEPS, Inc. files for at least five years after the final disposition of the grievance.

Discrimination Complaints and Procedural Complaints - If the participant believes the grievance procedures were not properly followed and/or he/she was discriminated against, he/she has the right to file a complaint with the following entities:

- Allegations that grievance procedures were not properly followed or allegations of violations of Federal law, which were not resolved within 60 days under the grievance procedures, must be filed with:

Chief, Division of Adult Services, Employment and Training Administration
U. S. Department of Labor
200 Constitution Avenue
Washington, DC 20210

- Allegations of discrimination in violation of civil rights laws, must be filed with:

Director, Civil Rights Center
U. S. Department of Labor
Room N-4123
200 Constitution Avenue, N. W.
Washington, DC 20210

Any individual or organization may file a grievance alleging violation of the Senior Community Service Employment Program , rules, regulations, grants, or other agreements made under Title V of the Older Americans Act by the Commonwealth of Virginia or its contractors. Grievances which do not involve a violation of Title V are not subject to this procedure.

UNEMPLOYMENT INSURANCE PAYMENTS

SCSEP participants are not eligible to receive unemployment compensation in the state of Virginia.

DRUGS IN THE WORKPLACE

STEPS, Inc. is a drug-free workplace. The unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is strictly prohibited on the training site, at any STEPS location or any activities surrounding SCSEP. In addition, participants are strictly prohibited from being under the influence of any controlled substance while performing training site activities. Legally prescribed medications are excluded from this prohibition but permitted only to the extent that the use of such medications does not adversely affect the participant's work ability, job performance, or the safety of the participant or others.

Participants agree to abide by the terms of the "Drugs in the Workplace" policy and to notify SCSEP staff of any criminal drug statute conviction for a violation occurring in the workplace no later five (5) days after such conviction.

Within 30 days of receiving notice of a conviction, SCSEP shall take appropriate disciplinary action up to and including termination or shall require the participant to satisfactorily engage in a drug assistance or rehabilitation program approved for such purposes by a federal, state, or local health, law enforcement, or other appropriate agency. SCSEP will not be responsible for any costs incurred. If there is a decision to terminate the participant, he/she will be immediately removed from the host site and given a written 30 day notice.

EQUAL OPPORTUNITY RIGHTS NOTIFICATION

EQUAL OPPORTUNITY IS THE LAW - This subcontractor is prohibited from discriminating on the grounds of race, color, religion, sex, sexual orientation, national origin, age, disability, political affiliation or belief, and for beneficiaries only, citizenship or participation in programs funded under the Senior Community Service Employment Program. If you think that you have been subjected to discrimination under SCSEP, you may file a complaint within 180 days from the date of the alleged violation with STEPS' Equal Opportunity Officer (EEO), Vice President of Administration or you may file a complaint directly with the Director, Directorate of Civil Rights (DCR), U.S. Department of Labor, 200 Constitution Avenue N. W., room N-4123, Washington DC 20210. If you elect to file your complaint with STEPS' EEO, you must wait until the EEO issues a decision or until 60 days have passed, whichever is sooner, before filing with DCR.

If the EEO has not provided you with a written decision within 60 days of the filing of the complaint, you need not wait for a decision to be issued, but may file a complaint with DCR within 30 days of the expiration of the 60-day period. If you are dissatisfied with STEPS' EEO's resolution of your complaint, you may file a complaint with DCR. Such complaints must be filed within 30 days of the date you received notification of the EEO's proposed resolution.

DISABILITY ACCOMMODATION

SCSEP is committed to complying fully with the Americans with Disabilities Act (ADA) and ensuring equal opportunity in employment for qualified persons with disabilities. All enrollment practices are conducted on a non-discriminatory basis.

Enrollment procedures have been reviewed and provide persons with disabilities meaningful employment opportunities. Pre-enrollment inquiries are made only regarding an applicant's ability to perform the duties of the position.

Reasonable accommodations, which do not constitute undue hardship, are available to all participants, where their disability affects the performance of their training. All enrollment decisions are based on the merits of the situation in accordance with the defined criteria, not the disability of the individual.

Qualified individuals with disabilities are entitled to equal pay and other forms of compensation as well as in training assignments, classifications, organizational structures and position descriptions.

RETURN TO WORK/TRAINING MEDICAL RELEASE

There is no provision for sick or annual leave in SCSEP. If participants are unable to train during their designated schedule, due to illness, they must contact their training site supervisor immediately. If a participant must leave the training site due to illness, they must inform their site supervisor or designee before leaving the site. This policy also includes all training-related events, classes, meetings or functions.

If the participant has been absent from the training site for 3 or more consecutive days, the Program Administrator may request a "Return to Work/Training release from the participant's physician. The release is important because information provided by the physician may require modifications within the participant's training site assignment.

PARTICIPANT'S STATEMENT OF RECEIPT

I acknowledge receipt of the SCSEP Participant Handbook. I acknowledge that I have been given a copy of the Grievance Procedure, Equal Employment Opportunity Statement, Americans with Disabilities Act, permitted/prohibited political policies, and the Drug Free Workplace policy.

I acknowledge that I understand the policies and procedures as explained to me and documented on the Orientation Checklist. And, I understand that his handbook is meant to be a guide and does not serve as a legal document.

Signature of Participant

Date

Issuing Company: Union Insurance Company
 A IA Stock Corp
 11201 Douglas Avenue
 Urbandale, IA 50322

Administrative Home Office:
 4820 Lake Brook Drive, Suite 300
 Glen Allen, VA 23060
 804-285-2700

COMMERCIAL LINES POLICY COMMON POLICY DECLARATIONS

Renewal

Policy No.: CPA 4209242 - 44
 Previous Policy No.: 4209242-43

Billing Method: Direct Bill
 Payment Plan: 9A

Named Insured Name and Address

Southside Training Employment & Placement Services, Inc.
 225 Industrial Park Road
 Farmville, VA 23901

Agency Name and Address

(703) 352-2222
 BB&T Insurance Services
 3975 Fair Ridge Drive #110
 Fairfax, VA 22033

00164

POLICY PERIOD

Policy Period: From 01/01/2014 to 01/01/2015 at 12:01 A.M. Standard Time at your mailing address shown above.

Business Description: Social Services for the Handicap, job training, out reach programs

Form of Business: Corporation

IN RETURN FOR YOUR PAYMENT OF THE PREMIUM AND SUBJECT TO ALL TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED. THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.

		Premium
Commercial Property Coverage Part	\$	24,488.00
Commercial General Liability Coverage Part	\$	3,877.00
Commercial Auto Coverage Part	\$	17,097.83
Commercial Crime and Fidelity Coverage Part	\$	1,405.00
Commercial Umbrella Liability Coverage Part	\$	3,687.00
TOTAL:	\$	50,554.83

FORMS APPLICABLE TO ALL COVERAGE PARTS

See attached "Schedule of Forms and Endorsements"

THESE DECLARATIONS, TOGETHER WITH THE COMMON POLICY CONDITIONS AND COVERAGES FORM(S) AND ANY ENDORSEMENT(S), COMPLETE THE ABOVE NUMBERED POLICY.

Countersigned: _____
(Date)

By: _____
(Authorized Representative)

Issuing Company: Union Insurance Company

COMMERCIAL PROPERTY DECLARATIONS

COINSURANCE CONTRACT

Policy No.: CPA 4209242 - 44
Previous Policy No.: 4209242-43

NAMED INSURED AND ADDRESS	AGENCY NAME AND ADDRESS	00164
Southside Training Employment & Placement Services, Inc. 225 Industrial Park Road Farmville, VA 23901	(703) 352-2222 BB&T Insurance Services 3975 Fair Ridge Drive #110 Fairfax, VA 22033	

POLICY PERIOD

Policy Period: From 01/01/2014 to 01/01/2015 at 12:01 A.M. Standard Time at your mailing address shown above.

TOTAL ADVANCE PREMIUM	\$24,488
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DESCRIPTION OF PREMISES AND COVERAGES PROVIDED

Description Of Property	Limit	Cause Of Loss	Coinsurance	Valuation
Blanket Buildings	6,982,263	SPECIAL	90%	See Schedule
Loc# - Bldg#: 1 - 1				
Loc# - Bldg#: 1 - 2				
Loc# - Bldg#: 1 - 3				
Loc# - Bldg#: 3 - 1				
Blanket Business Personal Property	1,672,778	SPECIAL	90%	See Schedule
Loc# - Bldg#: 1 - 1				
Loc# - Bldg#: 1 - 2				
Loc# - Bldg#: 1 - 3				
Loc# - Bldg#: 2 - 1				
Loc# - Bldg#: 2 - 2				
Loc# - Bldg#: 3 - 1				

Description Of Property	Limit	Cause Of Loss	Coinsurance	Valuation	Inflation Guard
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LOCATION: # 1 **Deductible: \$10,000**
225 Industrial Park Road
Farmville, VA 23901

BUILDING # 1

1 Story Frame Building
Occupied As Clothing Mfg. - Childrens and infants wear

Building	See Blanket	SPECIAL	90%	RC
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Tentative Rate
Earthquake CP1045 Sub-Limit
Earthquake Deductible of 5% Applies
Flood Coverage Applies
(Refer to CPDS65)

Business Personal Property	See Blanket	SPECIAL	90%	RC
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Tentative Rate
Earthquake CP1045 Sub-Limit
Earthquake Deductible of 5% Applies

Policy No.: CPA 4209242 - 44

Flood Coverage Applies
(Refer to CPDS65)

Business Income 200,000 SPECIAL 90%
Including Extra Expense
Earthquake CP1045 Sub-Limit
Earthquake Applies

BUILDING # 2

2 Story Frame Building
Occupied As Recycling Collection Centers and Recycling Plants

Building See Blanket SPECIAL 90% RC
Business Personal Property See Blanket SPECIAL 90% RC

BUILDING # 3

2 Story Joisted Masonry Building
Occupied As Mercantile NOC - Moderate susceptibility

Building See Blanket SPECIAL 90% RC
Business Personal Property See Blanket SPECIAL 90% RC

LOCATION: # 2 **Deductible: \$10,000**
300 Court Street
Victoria, VA 23974

BUILDING # 1

1 Story Non-Combustible Building
Occupied As Clothing Mfg. - Childrens and infants wear

Business Personal Property See Blanket SPECIAL 90% RC
Tentative Rate

BUILDING # 2

1 Story Frame Building
Occupied As Mercantile NOC - Moderate susceptibility

Business Personal Property See Blanket SPECIAL 90% RC

LOCATION: # 3 **Deductible: \$10,000**
100 Industrial Park Rd
Farmville, VA 23901

BUILDING # 1

2 Story Masonry Non-Combustible Building
Occupied As Clothing Mfg. - Childrens and infants wear

Building See Blanket SPECIAL 90% RC
Tentative Rate

Business Personal Property See Blanket SPECIAL 90% RC
Tentative Rate

Business Income 200,000 SPECIAL 90%
Including Extra Expense

KEY: ACV = Actual Cash Value AV = Agreed Value FBV = Functional Building Valuation RC = Replacement Cost
MR = Monthly Reporting

COVERAGES APPLICABLE TO ALL LOCATIONS

Data Breach Coverage Limit: \$50,000

MORTGAGE HOLDER(S)

Location # 1 Building # 1 The Bank of Charlotte County

Policy No.: CPA 4209242 - 44

PO Box 336
Phenix, VA 23959

FORMS APPLICABLE

See attached "Schedule of Forms and Endorsements"

Issuing Company: Union Insurance Company

COMMERCIAL GENERAL LIABILITY DECLARATIONS

Policy No.: CPA 4209242 - 44
Previous Policy No.: 4209242-43

NAMED INSURED AND ADDRESS	AGENCY NAME AND ADDRESS	00164
Southside Training Employment & Placement Services, Inc. 225 Industrial Park Road Farmville, VA 23901	(703) 352-2222 BB&T Insurance Services 3975 Fair Ridge Drive #110 Fairfax, VA 22033	

POLICY PERIOD

Policy Period: From 01/01/2014 to 01/01/2015 at 12:01 A.M. Standard Time at your mailing address shown above.

Form of Business:
Individual___ Partnership___ Joint Venture___ Trust___ Limited Liability Company___
Organization, including a corporation (but not including a partnership, joint venture or limited liability company) X

TOTAL ADVANCE PREMIUM	\$ 3,877
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LIMITS OF INSURANCE

Each Occurrence Limit	\$ 1,000,000	
Damage to Premises Rented to You Limit	\$ 1,000,000	Any One Premises
Medical Expense Limit	\$ 20,000	Any One Person
Hired/Non-Owned Auto Limit	\$	
Personal & Advertising Injury Limit	\$ 1,000,000	Any One Person or Organization
General Aggregate Limit	\$ 3,000,000	
(Other Than Products-Completed Operations)		
Products-Completed Operations Aggregate Limit	\$ 3,000,000	

Location of All Premises You Own, Rent or Occupy:

See attached "Schedule of Locations"

Policy No.: CPA 4209242 - 44

CLASSIFICATION & PREMIUM

The Premium & Classifications are subject to change by audit. Audit period: ANNUALLY

Classification	Code No.	Premium Base	Rate		Advance Premium		Other
			Prem/ Ops	Prod/ Comp Ops	Prem/ Ops	Prod/ Comp Ops	
Virginia							
Location #1							
Schools - trade or vocational - Products-completed operations are subject to the General Aggregate Limit	47474	20.00 Other	3.463		\$69		
Buildings or Premises - office - (Not-for-Profit Only) - NOC - Products-completed operations are subject to the General Aggregate Limit	61227	3,720.00 Area	52.881		\$197		
Recycling Collection Centers (Not-For-Profit only) - Products-completed operations are subject to the General Aggregate Limit	47147	\$40,000 Gross Sales	2.728		\$109		
Location #2							
Recycling Collection Centers (Not-For-Profit only) - Products-completed operations are subject to the General Aggregate Limit	47147	\$10,000 Gross Sales	2.728		\$27		
Land - occupied by persons other than the insured for business purposes - (lessors risk only) - Products-completed operations are subject to the General Aggregate Limit	45539	14.00 Other	2.112		\$30		
Schools - trade or vocational - Products-completed operations are subject to the General Aggregate Limit	47474	52.00 Other	3.463		\$180		
Buildings or Premises - office - (Not-for-Profit Only) - NOC - Products-completed operations are subject to the General Aggregate Limit	61227	4,212.00 Area	52.881		\$223		
Warehouses - private (Not-For-Profit only) - Products-completed operations are subject to the General	68707	1,000.00 Area	14.073		\$14		

Policy No.: CPA 4209242 - 44

Aggregate Limit

Location #3				
Warehouses - private (Not-For-Profit only) - Products-completed operations are subject to the General Aggregate Limit	68707	75,000.00 Area	14.073	\$1,055

Premium for Endorsements **\$688**

Premium for Terrorism **\$9**

Total Advance Premium \$3,877

FORMS ATTACHED TO THIS POLICY

See attached "Schedule of Forms and Endorsements"

Issuing Company: Union Insurance Company

BUSINESS AUTO DECLARATIONS

Policy No.: CPA 4209242 - 44
Previous Policy No.: 4209242-43

ITEM ONE

NAMED INSURED AND ADDRESS	AGENCY NAME AND ADDRESS	00164
Southside Training Employment & Placement Services, Inc. 225 Industrial Park Road Farmville, VA 23901	(703) 352-2222 BB&T Insurance Services 3975 Fair Ridge Drive #110 Fairfax, VA 22033	

POLICY PERIOD

The Policy Period is from 01/01/2014 to 01/01/2015 12:01 A.M. Standard Time at your Mailing Address shown above.

Form of Business: Corporation

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

Premium shown is payable at inception \$ 17,097.83

Audit Period (If Applicable):

Endorsements Attached To This Policy:

See attached "Schedule of Forms and Endorsements"

Countersignature Of Authorized Representative

Name:

Title:

Signature:

Date:

Note Officer's facsimile signatures may be inserted here, on the policy cover or elsewhere at the company's option.

Policy No.: CPA 4209242 - 44

ITEM TWO

Schedule of Coverages and Covered Autos

This policy provides only those coverages where a charge is shown in the premium column below. Each of these coverages will apply only to those "autos" shown as covered "autos". "Autos" are shown as covered "autos" for a particular coverage by the entry of one or more of the symbols from the Covered Autos Section of the Business Auto Coverage Form next to the name of the coverage.

Coverages & Limits	Covered Autos	Premium
Liability Limit = \$1,000,000	1	\$ 9,948
Personal Injury Protection (Or Equivalent No-Fault Coverage) Limit = Separately Stated In Each PIP Endorsement Minus \$ See Schedule Deductible.		\$
Added Personal Injury Protection (Or Equivalent Added No-Fault Coverage) Limit = Separately Stated In Each Added PIP Endorsement		\$
Extraordinary Medical Benefits Limit = Separately Stated In Each Extraordinary Medical Benefit Endorsement		\$
Auto Medical Payments Limit = \$		\$
Medical Expense And income Loss Benefits (Virginia Only) Limit = Separately Stated In Each Medical Expense And Income Loss Benefits Endorsement	2	\$ 923
Uninsured Motorists Limit = Separately Stated In Each UM Endorsement	6	\$ 991.83
Underinsured Motorists (When not Included In Uninsured Motorists Coverage) Limit =		\$
Supplementary Uninsured Motorists Limit = The maximum amount payable under SUM Coverage shall be the policy's SUM limits reduced and thus offset by motor vehicle bodily injury liability insurance policy or bond payments received from, or on behalf of, any negligent party involved in the accident as specified in the SUM endorsement.		\$
Physical Damage Comprehensive Coverage Limit = Actual Cash Value Or Cost Of Repair, Whichever Is Less, Minus \$ See Schedule Deductible For Each Covered Auto, But No Deductible Applies To Loss Caused By Fire Or Lightning. See Item Four For Hired Or Borrowed Autos.	7, 8	\$ 1,272
Physical Damage Specified Causes Of Loss Coverage Limit = Actual Cash Value Or Cost Of Repair, Whichever Is Less, Minus \$ See Schedule Deductible For Each Covered Auto, For Loss Caused By Mischief Or Vandalism. See Item Four For Hired Or Borrowed Autos		\$
Physical Damage Collision Coverage Limit = Actual Cash Value Or Cost Of Repair, Whichever Is Less, Minus \$ See Schedule Deductible For Each Covered Auto. See Item Four For Hired Or Borrowed Autos	7, 8	\$ 3,804
Physical Damage Towing and Labor Limit = \$ See Schedule For Each Disablement of a Private Passenger Auto.	7	\$ 84
	Premium For Endorsements	\$ 75
	Estimated Total Premium*	\$ 17,097.83

*This Policy May Be Subject to Final Audit.

Policy No.: CPA 4209242 - 44

ITEM THREE Schedule of Covered Autos You Own

Veh No.	DESCRIPTION			Original Cost New	Stated Amount
	Year	Model	VIN Number		
1	2000	Dodge Stratus	1B3EJ46X5YN240904	\$ 16,330	\$
2	1999	Honda Accord	1HGCG6657XA148389	\$ 19,490	\$
3	2000	Dodge Ram Van	2B6LB31Z8YK168506	\$ 32,000	\$
4	1995	Honda Accord	1HGCD5643SA009153	\$ 19,590	\$
5	2009	Chevrolet Express	1GBJG31K191176262	\$ 44,902	\$

Veh No.	CLASSIFICATION				TERRITORY (Principal Garage Location)			
	Code	Radius (Miles)	Use	Size (GVW)				
1	7398				Farmville	VA	Terr	120
2	7398				Farmville	VA	Terr	120
3	6482			9-20	Farmville	VA	Terr	120
4	7398				Farmville	VA	Terr	120
5	6482			9-20	Farmville	VA	Terr	120

Coverages									
Veh No.	CSL Limit*	Personal Injury Protection		Extra Med Limit*	Med Pay Limit	Medical Expense & Income Loss	Uninsured (UM) Limit*	Underinsured (UIM) Limit*	SUM Limit*
		Ded	Addl						
1	1,000					CA 22 46	1,000		
2	1,000					CA 22 46	1,000		
3	1,000					CA 22 46	1,000		
4	1,000					CA 22 46	1,000		
5	1,000					CA 22 46	1,000		

*Limits Shown Are In Thousands

PREMIUMS									
Veh No.	CSL	Basic PIP	Addl PIP	Extra Med	Med Pay	Med Exp & Income	UM	UIM	SUM
1	\$ 337	\$	\$	\$	\$	\$ 17	\$ 68.78	\$	\$
2	\$ 337	\$	\$	\$	\$	\$ 17	\$ 68.78	\$	\$
3	\$ 569	\$	\$	\$	\$	\$ 77	\$ 44.55	\$	\$
4	\$ 337	\$	\$	\$	\$	\$ 17	\$ 68.78	\$	\$
5	\$ 569	\$	\$	\$	\$	\$ 77	\$ 44.55	\$	\$

Veh No.	PHYSICAL DAMAGE COVERAGE				PHYSICAL DAMAGE PREMIUMS				Total Premium
	Deductibles			Towing & Labor Limit	Comp	Specified Cause of Loss	Coll	Towing & Labor	
	Comp	Specified Cause of Loss	Coll						
1	500		1,000	50	\$ 74	\$	\$ 118	\$ 14	\$ 628.78
2	500		1,000	50	\$ 74	\$	\$ 118	\$ 14	\$ 628.78
3	500		1,000		\$ 40	\$	\$ 97	\$	\$ 827.55
4	500		1,000	50	\$ 74	\$	\$ 118	\$ 14	\$ 628.78
5	500		1,000		\$ 57	\$	\$ 208	\$	\$ 955.55

Policy No.: CPA 4209242 - 44

ITEM THREE Schedule of Covered Autos You Own (Continued)

Veh No.	DESCRIPTION			Original Cost New	Stated Amount
	Year	Model	VIN Number		
6	2003	Ford Bus	1fdye4sf63ha63562	\$ 48,839	\$
7	2002	Ford Taurus	1fapp53032a103465	\$ 19,590	\$
8	2004	Volvo S80	YV1TS92D341353211	\$ 37,045	\$
9	1999	Honda Accord	1agcg6670xa026636	\$ 20,000	\$
10	2008	Ford Econoline	1FD4E45S78DB29552	\$ 21,919	\$

Veh No.	CLASSIFICATION				TERRITORY (Principal Garage Location)			
	Code	Radius (Miles)	Use	Size (GVW)				
6	6482			9-20	Victoria	VA	Terr	120
7	7398				Farmville	VA	Terr	120
8	7398				Farmville	VA	Terr	120
9	7398				Farmville	VA	Terr	120
10	6482			9-20	Farmville	VA	Terr	120

Coverages									
Veh No.	CSL Limit*	Personal Injury Protection		Extra Med Limit*	Med Pay Limit	Medical Expense & Income Loss	Uninsured (UM) Limit*	Underinsured (UIM) Limit*	SUM Limit*
		Ded	Addl						
6	1,000					CA 22 46	1,000		
7	1,000					CA 22 46	1,000		
8	1,000					CA 22 46	1,000		
9	1,000					CA 22 46	1,000		
10	1,000					CA 22 46	1,000		

*Limits Shown Are In Thousands

PREMIUMS									
Veh No.	CSL	Basic PIP	Addl PIP	Extra Med	Med Pay	Med Exp & Income	UM	UIM	SUM
6	\$ 569	\$	\$	\$	\$	\$ 77	\$ 44.55	\$	\$
7	\$ 337	\$	\$	\$	\$	\$ 17	\$ 68.78	\$	\$
8	\$ 337	\$	\$	\$	\$	\$ 17	\$ 68.78	\$	\$
9	\$ 337	\$	\$	\$	\$	\$ 17	\$ 68.78	\$	\$
10	\$ 569	\$	\$	\$	\$	\$ 77	\$ 44.55	\$	\$

Veh No.	PHYSICAL DAMAGE COVERAGE				PHYSICAL DAMAGE PREMIUMS				Total Premium
	Deductibles			Towing & Labor Limit	Comp	Specified Cause of Loss	Coll	Towing & Labor	
	Comp	Specified Cause of Loss	Coll						
6	500		1,000		\$ 43	\$	\$ 149	\$	\$ 882.55
7	500		1,000	50	\$ 74	\$	\$ 118	\$ 14	\$ 628.78
8	500		1,000	50	\$ 96	\$	\$ 144	\$ 14	\$ 676.78
9	500		1,000	50	\$ 74	\$	\$ 118	\$ 14	\$ 628.78
10	500		1,000		\$ 48	\$	\$ 108	\$	\$ 846.55

Policy No.: CPA 4209242 - 44

ITEM THREE Schedule of Covered Autos You Own (Continued)

Veh No.	DESCRIPTION			Original Cost New	Stated Amount
	Year	Model	VIN Number		
11	2010	Ford Econoline	1FDFE4FS4ADA76077	\$ 44,950	\$
12	2010	Ford Econoline	1FDFE4FS2ADA76076	\$ 44,950	\$
13	2011	GMC Savana	1GJW7PFA4B1127807	\$ 29,345	\$
14	2011	Ford Econoline	1FDFE4FSXBDB00576	\$ 46,881	\$
15	2012	Freightliner M2 106 Medium Duty	1FVACWDTXCDBP2821	\$ 70,799	\$

Veh No.	CLASSIFICATION				TERRITORY (Principal Garage Location)			
	Code	Radius (Miles)	Use	Size (GVW)				
11	6482			9-20	Farmville	VA	Terr	120
12	6482			9-20	Farmville	VA	Terr	120
13	6482			9-20	Farmville	VA	Terr	120
14	6482			9-20	Farmville	VA	Terr	120
15	33599	51-200	Commercial	45,000 lbs	Farmville	VA	Terr	120

Coverages									
Veh No.	CSL Limit*	Personal Injury Protection		Extra Med Limit*	Med Pay Limit	Medical Expense & Income Loss	Uninsured (UM) Limit*	Underinsured (UIM) Limit*	SUM Limit*
		Ded	Addl						
11	1,000					CA 22 46	1,000		
12	1,000					CA 22 46	1,000		
13	1,000					CA 22 46	1,000		
14	1,000					CA 22 46	1,000		
15	1,000					CA 22 46	1,000		

*Limits Shown Are In Thousands

PREMIUMS									
Veh No.	CSL	Basic PIP	Addl PIP	Extra Med	Med Pay	Med Exp & Income	UM	UIM	SUM
11	\$ 569	\$	\$	\$	\$	\$ 77	\$ 44.55	\$	\$
12	\$ 569	\$	\$	\$	\$	\$ 77	\$ 44.55	\$	\$
13	\$ 569	\$	\$	\$	\$	\$ 77	\$ 44.55	\$	\$
14	\$ 569	\$	\$	\$	\$	\$ 77	\$ 44.55	\$	\$
15	\$ 770	\$	\$	\$	\$	\$ 32	\$ 44.55	\$	\$

Veh No.	PHYSICAL DAMAGE COVERAGE				PHYSICAL DAMAGE PREMIUMS				Total Premium
	Deductibles			Towing & Labor Limit	Comp	Specified Cause of Loss	Coll	Towing & Labor	
	Comp	Specified Cause of Loss	Coll						
11	500		1,000		\$ 64	\$	\$ 238	\$	\$ 992.55
12	500		1,000		\$ 64	\$	\$ 238	\$	\$ 992.55
13	500		1,000		\$ 63	\$	\$ 165	\$	\$ 918.55
14	500		1,000		\$ 68	\$	\$ 252	\$	\$ 1,010.55
15	1,000		1,000		\$ 86	\$	\$ 460	\$	\$ 1,392.55

Policy No.: CPA 4209242 - 44

ITEM THREE Schedule of Covered Autos You Own (Continued)

Veh No.	DESCRIPTION			Original Cost New	Stated Amount
	Year	Model	VIN Number		
16	2001	Ford Econoline Wagon	1FBSS31L91HB66330	\$ 44,950	\$
17	2012	Freightliner M2 106 Medium Duty	1FVACWDT6CHBSC269	\$ 80,164	\$
18	1986	Ford F150	1FTCF15N4CNA79708	\$ 8,373	\$
19	2012	Freightliner M2 106 Medium Duty	1FVACWDT2CHBS0270	\$ 80,164	\$
				\$	\$

Veh No.	CLASSIFICATION				TERRITORY (Principal Garage Location)			
	Code	Radius (Miles)	Use	Size (GVW)				
16	6482			9-20	Farmville	VA	Terr	120
17	33599	51-200	Commercial	45,000 lbs	Farmville	VA	Terr	120
18	01499	0-50	Service	10,000 lbs	Farmville	VA	Terr	120
19	33599	51-200	Commercial	45,000 lbs	Farmville	VA	Terr	120

Veh No.	CSL Limit*	Personal Injury Protection		Extra Med Limit*	Med Pay Limit	Medical Expense & Income Loss	Uninsured (UM) Limit*	Underinsured (UIM) Limit*	SUM Limit*
		Ded	Addl						
		16	1,000						
17	1,000					CA 22 46	1,000		
18	1,000					CA 22 46	1,000		
19	1,000					CA 22 46	1,000		

*Limits Shown Are In Thousands

Veh No.	PREMIUMS								
	CSL	Basic PIP	Addl PIP	Extra Med	Med Pay	Med Exp & Income	UM	UIM	SUM
16	\$ 569	\$	\$	\$	\$	\$ 77	\$ 44.55	\$	\$
17	\$ 770	\$	\$	\$	\$	\$ 32	\$ 44.55	\$	\$
18	\$ 370	\$	\$	\$	\$	\$ 32	\$ 44.55	\$	\$
19	\$ 770	\$	\$	\$	\$	\$ 32	\$ 44.55	\$	\$
	\$	\$	\$	\$	\$	\$	\$	\$	\$

Veh No.	PHYSICAL DAMAGE COVERAGE				PHYSICAL DAMAGE PREMIUMS				Total Premium
	Deductibles			Towing & Labor Limit	Comp	Specified Cause of Loss	Coll	Towing & Labor	
	Comp	Specified Cause of Loss	Coll						
16	500		1,000		\$ 43	\$	\$ 149	\$	\$ 882.55
17	1,000		1,000		\$ 86	\$	\$ 460	\$	\$ 1,392.55
18	500		1,000		\$ 28	\$	\$ 56	\$	\$ 530.55
19	1,000		1,000		\$ 86	\$	\$ 460	\$	\$ 1,392.55
					\$	\$	\$	\$	\$

Policy No.: CPA 4209242 - 44

ITEM THREE Schedule of Covered Autos You Own (Continued)

SCHEDULE OF LOSS PAYEES

**Veh No. Except for Towing, All Physical Damage Loss Is Payable To You And The Loss Payee
Named Below As Interests May Appear At The Time Of The Loss**

- | | |
|----|---|
| 5 | VA Department of Rail & Public Transportation
600 East Main Street #2102
Richmond, VA 23219 |
| 11 | VA Department of Rail & Public Transportation
600 East Main Street #2102
Richmond, VA 23219 |
| 12 | VA Department of Rail & Public Transportation
600 East Main Street #2102
Richmond, VA 23219 |
| 14 | VA Department of Rail & Public Transportation
600 East Main Street #2102
Richmond, VA 23219 |

Policy No.: CPA 4209242 - 44

ITEM FOUR

Schedule Of Hired Or Borrowed Covered Auto Coverage And Premiums

Liability Coverage - Rating Basis, Cost Of Hire				
State	Estimated Cost Of Hire For Each State	Rate Per Each \$100 Cost Of Hire	Factor (If Liability Coverage Is Primary)	Premium
VA	\$ 500	\$ 0.69		\$ 38
Liability Coverage Rating Basis, Number Of Days (For Mobile Or Farm Equipment Rental Period Basis)				
State	Estimated Number Of Days Equipment Will Be Rented	Base Premium	Factor	Premium
				\$
Total Premium:				\$ 38

Cost of hire means the total amount you incur for the hire of "autos" you don't own (not including "autos" you borrow or rent from your partners or "employees" or their family members). Cost of hire does not include charges for services performed by motor carriers of property or passengers.

Policy No.: CPA 4209242 - 44

Physical Damage Coverage

State	Coverage	Limits Of Insurance		
VA	Comprehensive	Actual Cash Value Or Cost Of Repair, Whichever Is Less, Minus \$ 100 Deductible For Each Covered Auto, But No Deductible Applies To Loss Caused By Fire Or Lightning.		
		Estimated Annual Cost Of Hire	Rate Per Each \$100 Annual Cost Of Hire	Premium
		\$ 500	\$ 0.477	\$ 30
	Specified Causes Of Loss	Actual Cash Value Or Cost Of Repair, Whichever Is Less, Minus \$ Deductible For Each Covered Auto For Loss Caused By Mischief Or Vandalism		
		Estimated Annual Cost Of Hire	Rate Per Each \$100 Annual Cost Of Hire	Premium
		\$	\$	\$
	Collision	Actual Cash Value Or Cost Of Repair, Whichever Is Less, Minus \$ 1000 Deductible For Each Covered Auto.		
		Estimated Annual Cost Of Hire	Rate Per Each \$100 Annual Cost Of Hire	Premium
		\$ 500	\$ 0.662	\$ 30
Total Premium:			\$ 60.00	

ITEM FIVE

Schedule For Non-Ownership Liability

State	Named Insured's Business	Rating Basis	Number	Premium
VA	Other Than Garage Service Operations And Other Than Social Service Agencies	Number Of Employees	25	\$ 87
		Number Of Partners		\$
	Garage Service Operations	Number Of Employees Whose Principal Duty Involves The Operation Of Autos		\$
	Social Service Agencies	Number Of Employees		\$
		Number Of Volunteers		\$
Total Premiums:			\$ 87	

Policy No.: CPA 4209242 - 44

ITEM SIX

Schedule For Gross Receipts Or Mileage Basis - Liability Coverage - Public Auto Or Leasing Rental Concerns

Location No:		
(Check One)	Gross Receipts (Per \$100)	Mileage (Per Mile)
Estimated Yearly:		
Rates		
Liability		\$
Auto Medical Payments		\$
Medical Expense Benefits (VA Only)		\$
Income Loss Benefits (VA Only)		\$
Premiums		
Liability		\$
Auto Medical Payments		\$
Medical Expense Benefits (VA Only)		\$
Income Loss Benefits (VA Only)		\$
Total Premiums		
Minimum Liability		\$
Minimum Auto Medical Payments		\$
Minimum Medical Expense Benefits (VA Only)		\$
Minimum Income Loss Benefits (VA Only)		\$
Liability		\$
Auto Medical Payments		\$
Medical Expense Benefits (VA Only)		\$
Income Loss Benefits (VA Only)		\$

Location Number	Address

When used as a premium basis:

FOR PUBLIC AUTOS

Gross Receipts means the total amount to which you are entitled for transporting passengers, mail or merchandise during the policy period regardless of whether you or any other carrier originate the transportation. Gross Receipts does not include:

- A. Amounts you pay to railroads, steamship lines, airlines and other motor carriers operating under their own ICC or PUC permits.
- B. Advertising revenue.
- C. Taxes which you collect as a separate item and remit directly to a governmental division.
- D. C.O.D. collections for cost of mail or merchandise including collection fees.

Mileage means the total live and dead mileage of all revenue producing units operated during the policy period.

FOR RENTAL OR LEASING CONCERNS

Gross receipts means the total amount to which you are entitled for the leasing or rental of "autos" during the policy period and includes taxes except those taxes which you collect as a separate item and remit directly to a governmental division.

Policy No.: CPA 4209242 - 44

Mileage means the total of all live and dead mileage developed by all the "autos" you leased or rented to others during the policy period.

Issuing Company: Union Insurance Company

COMMERCIAL CRIME COVERAGE PART DECLARATIONS

Policy No.: CPA 4209242 - 44

Previous Policy No.: 4209242-43

NAMED INSURED AND ADDRESS	AGENCY NAME AND ADDRESS	00164
Southside Training Employment & Placement Services, Inc. 225 Industrial Park Road Farmville, VA 23901	(703) 352-2222 BB&T Insurance Services 3975 Fair Ridge Drive #110 Fairfax, VA 22033	

POLICY PERIOD

Policy Period: From 01/01/2014 to 01/01/2015 at 12:01 A.M. Standard Time at your mailing address shown above.

In return for the payment of the premium, and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this policy.

TOTAL CRIME PREMIUM	\$ 1,405
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INSURING AGREEMENTS, LIMITS OF INSURANCE AND DEDUCTIBLE

INSURING AGREEMENTS	LIMIT OF INSURANCE Per Occurrence	DEDUCTIBLE AMOUNT Per Occurrence
1. Employee Theft	\$ 100,000	\$ 500
2. Forgery Or Alteration	\$ 100,000	\$ 500
3. Inside The Premises - Theft of Money And Securities.	\$ 10,000	\$ 500
4. Inside The Premises - Robbery Or Safe Burglary Of Other Property.	Not Covered	
5. Outside The Premises	\$ 10,000	\$ 500
6. Computer Fraud	Not Covered	
7. Funds Transfer Fraud	Not Covered	
8. Money Orders And Counterfeit Money	Not Covered	
9. Inside The Premises - Theft Of Other Property	Not Covered	

If Added by Endorsement, Insuring Agreement(s):

Clients' Property	\$ 5,000	\$ 500
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If Not Covered is inserted above opposite any specified Insuring Agreement, such Insuring Agreement and any other reference thereto in this policy is deleted.

ENDORSEMENTS FORMING PART OF THIS POLICY WHEN ISSUED:

See "Schedule of Forms and Endorsements"

Policy No.: CPA 4209242 - 44

CANCELLATION OF PRIOR INSURANCE ISSUED BY US:

By acceptance of this Policy you give us notice cancelling prior policy Nos.: _____
The cancellation to be effective at the time this Policy becomes effective.

Countersigned: _____
(Date)

BY: _____
(Authorized Representative)

Policy No.: CPA 4209242 - 44

Employee Benefit Plan(s) Included As Named Insured

403B STEPS AIG-Valic Plan, 403B STEPS American Funds, STEPS VA Credit Union Plan, STEPS
CGTIV Plan

Issuing Company: Union Insurance Company

COMMERCIAL LIABILITY UMBRELLA DECLARATIONS

Policy No.: CPA 4209242 - 44

Named Insured Name and Address	Agency Name and Address	00164
Southside Training Employment & Placement Services, Inc. 225 Industrial Park Road Farmville, VA 23901	(703) 352-2222 BB&T Insurance Services 3975 Fair Ridge Drive #110 Fairfax, VA 22033	

POLICY PERIOD

Policy Period: From 01/01/2014 to 01/01/2015 at 12:01 A.M. Standard Time at your mailing address shown above.

TOTAL ADVANCE PREMIUM	\$ 3,687
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LIMITS OF INSURANCE

Each Occurrence Limit.....	\$ 3,000,000	
Personal & Advertising Injury Limit.....	\$ 3,000,000	Any One Person or Organization
Aggregate Limit.....	\$ 3,000,000	
(Except "covered autos" and products-completed operations)		
Products-Completed Operations Aggregate Limit.....	\$ 3,000,000	

ENDORSEMENTS ATTACHED TO THIS POLICY:

See attached Schedule of Forms and Endorsements

Policy No.: CPA 4209242 - 44

1. SELF-INSURED RETENTION: \$ NONE

2. SCHEDULE OF UNDERLYING INSURANCE

Employers' Liability

Company: StarNet Insurance Co
Policy 992000000044110
Number:
Policy Period: 07/09/2013 - 07/09/2014
Limits of Insurance:

Bodily injury by accident	\$ 500,000	Each Accident
Bodily injury by disease	\$ 500,000	Each Employee
Bodily injury by disease	\$ 500,000	Policy Limit

Commercial General Liability

Company: Union Insurance Company
Policy 4209242
Number:
Policy Period: 01/01/2014 - 01/01/2015
Limits of Insurance:

Each Occurrence	\$ 1,000,000
Personal and Advertising Injury Limit	\$ 1,000,000
General Aggregate	\$ 3,000,000
Products Completed Operations	\$ 3,000,000
Aggregate	

Commercial Auto Liability

Company: Union Insurance Company
Policy 4209242
Number:
Policy Period: 01/01/2014 - 01/01/2015
Limits of Insurance:

Each Occurrence	\$ 1,000,000
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Employee Benefits Liability

Company: Union Insurance Company
Policy Number: 4209242
Policy Period: 01/01/2014 - 01/01/2015
Limits of Insurance:

Each Employee:	\$ 1,000,000
Aggregate:	\$ 1,000,000

Retroactive Date: 01/01/2003

Professional Liability

Company: Union Insurance Company
Policy Number: 4209242
Policy Period: 01/01/2014 - 01/01/2015
Limits of Insurance:

Each Professional Incident	\$ 1,000,000
Professional Aggregate	\$ 3,000,000

Sexual/Physical Abuse Liability

Company: Union Insurance Company
Policy Number: 4209242
Policy Period: 01/01/2014 - 01/01/2015
Limits of Insurance:

Policy No.: CPA 4209242 - 44

Each Abuse Conduct	\$ 1,000,000
Abuse Aggregate	\$ 3,000,000

**DIRECTORS AND OFFICERS LIABILITY POLICY
DECLARATIONS**



Corporate Office
945 E. Paces Ferry Rd.
Suite 1800
Atlanta, GA 30326

COMPANY SYMBOL N	POLICY PREFIX & NUMBER HP655402	RENEWAL OF N/A
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●THIS IS A CLAIMS MADE POLICY. PLEASE READ IT CAREFULLY.●

THIS POLICY IS ISSUED BY: RSUI Indemnity Company (hereinafter referred to as the Insurer)

ITEM 1. INSURED'S NAME AND MAILING ADDRESS	PRODUCER'S NAME AND ADDRESS
SOUTHSIDE TRAINING EMPLOYMENT & PLACEMENT SERVICES, INC. 225 INDUSTRIAL PARK ROAD FARMVILLE, VA 23901	

IN CONSIDERATION OF THE PAYMENT OF THE PREMIUM, IN RELIANCE UPON THE STATEMENTS HEREIN OR ATTACHED HERETO, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, THE INSURER AGREES TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

ITEM 2. POLICY PERIOD:

FROM 1/1/2014 TO 1/1/2015 12:01 AM Standard Time at the Insured's address as stated herein

ITEM 3. LIMIT OF LIABILITY:

\$ 1,000,000 Aggregate Limit of Liability each policy period

ITEM 4. RETENTION:

\$ <u>0</u>	Insuring Agreement A
\$ <u>50,000</u>	Insuring Agreement B
\$ <u>50,000</u>	Insuring Agreement C
\$ <u>25,000</u>	Employment Practices Claim

ITEM 5. PREMIUM:

\$ 11,430.00

ITEM 6. POLICY FORM AND ENDORSEMENTS MADE A PART OF THIS POLICY AT THE TIME OF ISSUE:

SEE RSG 200007 0204 - SUPPLEMENTAL DECLARATIONS - SCHEDULE OF ENDORSEMENTS; RSG 211003 0609 - DIRECTORS AND OFFICERS LIABILITY POLICY - NOT FOR PROFIT ORGANIZATION - 2009

THESE DECLARATIONS TOGETHER WITH THE COMPLETED, SIGNED AND DATED APPLICATION, POLICY FORMS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY.

Countersigned: _____ February 25, 2014
DATE


AUTHORIZED REPRESENTATIVE

**DIRECTORS AND OFFICERS LIABILITY POLICY
SUPPLEMENTAL DECLARATIONS**



POLICY NUMBER: NHP655402

SCHEDULE OF ENDORSEMENTS

TITLE	FORM NUMBER
Disclosure Pursuant to Terrorism Risk Insurance Act	RSG 204123 0108
Cap on Losses From Certified Acts of Terrorism	RSG 204081 0108
Exclusion - Prior and or Pending Litigation Backdated	RSG 206071 0204
Exclusion - Sexual Abuse with EPL Carve back	RSG 206086 1205
Exclusion - Specific Litigation	RSG 206078 0204
Fully Non-Rescindable Coverage	RSG 204157 0808
Governmental Funding Defense Expense Coverage	RSG 204101 0210
Insuring Agreement A - Separate Limit	RSG 204152 1207
Predetermined Allocation	RSG 204132 0205
Severability of All Exclusions	RSG 204144 0407
Severability of the Entity	RSG 214049 0407
Third Party Liability Coverage	RSG 204119 1011
Virginia - Amended Definition of Loss - Defense Claims for ADA	RSG 202148 0511
Virginia - Amended Settlement Provision	RSG 202168 0311
Virginia - Coverage Extension - Fiduciary Liability - Sublimit	RSG 212055 1010
Virginia - Priority of Payments	RSG 212027 0609
Virginia Changes	RSG 212012 0609
Virginia Changes - Cancellation and Nonrenewal	RSG 203051 0611
Virginia Sublimit - Defense Expenses - Wage and Hour Claims	RSG 212059 0609

SCHEDULE

Policy Premium: \$310.00
Minimum Premium: \$310.00

POLICY NO: 42-SR-344166

POLICYHOLDER'S NAME AND ADDRESS:

SOUTHSIDE TRAINING EMPLOYMENT
PLACEMENT SERVICES, INC.
225 INDUSTRIAL PARK ROAD
FARMVILLE, VA 23901

Previous Policy No: 42-SR-344166

Policy Period: From (Policy Date): 7/9/2014 To: 7/9/2015
12:01 A.M. Standard Time at the address of the Policyholder

Producer's Name and Address:	Agent Code	Form Numbers of the Policy, Riders and attached papers at issue
BB&T INS SERVICES INC 3975 FAIR RIDGE DRIVE SUITE 110 FAIRFAX, VA 220332924	640129	SRP-1400 (HLA), ,PA-9436

INSURED PERSON means any person who is a member of the Policyholder.

COVERED ACTIVITIES means

This policy covers each Insured Person during the policy period while he or she is:

- (a) participating in, attending or preparing for fundraising, employment training and other various low risk Policyholder-sponsored activities while on the premises of, designated by and under the direct supervision of the Policyholder, or
- (b) traveling with a group in connection with such activities under the direct supervision of the Policyholder.

BENEFITS AND AMOUNTS

Accidental Death Benefit	Principal Sum:	\$10,000.00
Accidental Dismemberment Benefit	Principal Sum:	\$10,000.00
Accident Medical Expense Benefit	Maximum Benefit:	\$10,000.00
	Deductible Amount:	\$0.00
	Maximum Dental Limit:	\$250.00



PHILADELPHIA INSURANCE COMPANIES

A Member of the Tokio Marine Group

One Bala Plaza, Suite 100
Bala Cynwyd, Pennsylvania 19004
610.617.7900 Fax 610.617.7940
PHLY.com

Philadelphia Indemnity Insurance Company COMMON POLICY DECLARATIONS

Policy Number: PHSD929232

Named Insured and Mailing Address:
SOUTHSIDE TRAINING EMPLOYMENT &
PLACEMENT SERVICES, INC. (STEPS, INC.)
225 Industrial Park Rd
Farmville, VA 23901-2660

Producer: 26721
POMS & ASSOCIATES INSURANCE BROKER:
320 OSUNA RD
Suite B
ALBUQUERQUE, NM 87107

Policy Period From: 04/01/2014 **To:** 04/01/2015

at 12:01 A.M. Standard Time at your mailing
address shown above.

Business Description: Document Destruction & Records Storage

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS
POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS
INDICATED. THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.

	PREMIUM
Commercial Property Coverage Part	
Commercial General Liability Coverage Part	
Commercial Crime Coverage Part	
Commercial Inland Marine Coverage Part	
Commercial Auto Coverage Part	
Businessowners	
Workers Compensation	
Miscellaneous Professional	3,658.00

Total \$ **3,658.00**

FORM (S) AND ENDORSEMENT (S) MADE A PART OF THIS POLICY AT THE TIME OF ISSUE
Refer To Forms Schedule

*Omits applicable Forms and Endorsements if shown in specific Coverage Part/Coverage Form Declarations

CPD- PIIC (01/07)

Countersignature Date


Authorized Representative

Philadelphia Indemnity Insurance Company

Form Schedule – Policy

Policy Number: PHSD929232

Forms and Endorsements applying to this Coverage Part and made a part of this policy at time of issue:

Form	Edition	Description
Recurring Payment Flyer	1212	Recurring Payment Flyer
CSNotice-1	0813	Making Things Easier
BJP-190-1	1298	Commercial Lines Policy Jacket
LAH-Notice	0813	Policyholder Notice (Loss Assistance Hotline)
PP0713	0713	Privacy Policy Notice
CPD-PIIC	0107	Common Policy Declarations
IL0985	0108	Disclosure Pursuant to Terrorism Risk Ins Act of 2002

Technology Insurance Company

A Stock Insurance Company

20 Trafalgar Square, Suite 459

Nashua, NH 03063

**WORKERS COMPENSATION
AND EMPLOYERS LIABILITY
INSURANCE POLICY**

WC 99 00 01 B

INFORMATION PAGE

Ncci Code: 39071

1. Insured:	Policy Number:	TWC3425543
Placement Service, Inc 225 Industrial Park Rd Farmville, VA 23901	<input type="checkbox"/> Individual	<input type="checkbox"/> Partnership
Other workplaces not shown above:	<input type="checkbox"/> Corporation or	<input checked="" type="checkbox"/> Other
See Extension of Information Page	Federal Tax ID:	541209110
Producer:	Risk ID:	
AmTrust North America, Inc. c/o USI Insurance Services PO BOX 120700 Newport News, VA 23612-0700	Renewal of:	New

2. The policy period is from 7/1/2014 to 7/1/2015 12:01 a.m. at the insured's mailing address.

3. A. Workers Compensation Insurance: Part One of the policy applies to the Workers Compensation Law of the states listed here: Virginia

B. Employers Liability Insurance: Part Two of the policy applies to work in each stated listed in item 3.A. The limits of our liability under Part Two are:

Bodily Injury by Accident	\$ 500,000	each accident
Bodily Injury by Disease	\$ 500,000	policy limit
Bodily Injury by Disease	\$ 500,000	each employee

C. Other States Insurance: Part Three of the policy applies to the states, if any, listed here: All states except ND, OH, WA, WY and State(s) Designated in Item 3A.

D. This policy includes these endorsements and schedules:
See attached endorsement schedule.

4. The premium for this policy will be determined by our Manuals of Rules, Classifications, Rates and Rating Plans. All information required below is subject to verification and change by audit.

See Extension of Information Page	
TOTAL ESTIMATED ANNUAL PREMIUM	19,262
STATE ASSESSMENT	0
TOTAL ESTIMATED COST	19,262
Minimum Premium	500
Deposit Premium	19,262

Issue Date: 7/11/2014

Countersigned By: _____
Authorized Representative



Insured: Placement Service, Inc

Policy Number: TWC3425543

**EXTENSION OF INFORMATION PAGE FOR ITEM #4
ITEM 4: SCHEDULE OF PREMIUMS**

Classifications	# of Emps	Code No.	Premium Basis Total Est. Annual Remuneration	Rate Per \$100 of Remuneration	Estimated Annual Premium
Virginia					
Clothing Mfg.	10	2501	213,070	1.96	4,176
Container Recycling—Bottle or Can - & Drivers	10	8264	206,943	4.68	9,685
Charitable or Welfare Organization—Professional Employees & Clerical	15	8861	391,650	1.39	5,444
Charitable or Welfare Organization—All Other Employees, Drivers	3	9110	29,354	2.63	772
Manual Premium					20,077
Total Manual Premium					20,077
Premium for Increased Limits Part Two: 0.8% (500/500/500)		9807			160
Premium to Equal Increased Limits Minimum Charge		9848			1
Total Premium Subject to Experience Modification					20,238
Experience Modification 96%					19,428
Schedule Modifier 5%		9889			971
Premium Discount 8.2%		0063			-1,673
Expense Constant		0900			200
Terrorism		9740			336
Total VA Premium					19,262
Total VA Cost					19,262
TOTAL ESTIMATED ANNUAL PREMIUM					19,262
STATE ASSESSMENT					0
TOTAL COST					19,262



Fixed Assets Schedule				13/14	13/14	13/14
All Divisions	Date			Cur	Per	Accum
Description	Acq.	Life	Cost	Depr	Month	Depr

Building & Improvements:

Administration:

Building & Architecture	06/00/87	SL	30	\$493,234.83	\$16,441.16	\$1,370.10	\$442,615.84
Corp Bldg Improvements	10/31/07	SL	15	\$283,482.24	\$18,898.82	\$1,574.90	\$140,166.22
HVAC Ellington Energy	04/00/95	SL	30	\$4,733.00	\$157.77	\$13.15	\$3,155.38
TOTAL Administration				\$781,450.07	\$35,497.75	\$2,958.15	\$585,937.44

Shred:

Craddock Terry Building	06/00/02	SL	30	\$700,000.00	\$23,333.33	\$1,944.44	\$303,333.33
HVAC System	04/30/12	SL	30	\$708,002.00	\$23,600.07	\$1,966.67	\$59,000.17
Partial Roof Replacement	06/30/12	SL	30	\$301,000.00	\$10,033.33	\$836.11	\$25,083.33
TOTAL Shred:				\$1,709,002.00	\$56,966.73	\$4,747.22	\$387,416.83

TOTAL BUILDINGS & IMPROVEMENTS

\$2,490,452.07	\$92,464.48	\$7,705.37	\$973,354.27
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Furniture and Equipment

Shred

Equipment Downpayment	12/16/09	SL	5	\$59,000.00	\$11,800.00	\$983.33	\$53,100.00
TOTAL Shred:				\$59,000.00	\$11,800.00	\$983.33	\$53,100.00

VICTORIA:

Juki 2-Needle	03/01/10	SL	5	\$4,137.50	\$827.50	\$68.96	\$3,723.75
Cold Strip Cutter	02/15/10	SL	5	\$2,500.00	\$500.00	\$41.67	\$2,250.00
Juki Bar Tacker	05/10/10	SL	5	\$4,035.00	\$807.00	\$67.25	\$3,631.50
ARM 60 Series Heat Tsf Machine	05/25/10	SL	5	\$3,275.00	\$655.00	\$54.58	\$2,947.50
Juki Feed Off The Arm 1/4 GA	10/25/10	SL	5	\$6,641.00	\$1,328.20	\$110.68	\$4,648.70
Juki Needle Feed Lockstitch	11/19/10	SL	5	\$2,910.00	\$582.00	\$48.50	\$2,037.00
Juki Needle lockstitch Drop Feed	11/19/10	SL	5	\$1,375.00	\$275.00	\$22.92	\$962.50
Juki 2 Needle Underarm	05/03/11	SL	5	\$3,210.00	\$642.00	\$53.50	\$2,247.00
ARM 60 Series Heat Tsf Machine	07/01/11	SL	5	\$3,270.00	\$654.00	\$54.50	\$2,289.00
Jack 2010 Programable Machine	06/08/11	SL	5	\$12,414.00	\$2,482.80	\$206.90	\$8,689.80
4 Sewing Machines 8MOBJ12458, 12	09/03/09	SL	5	\$4,236.00	\$847.20	\$847.20	\$3,388.80
Elastic Sew Machine 8M4AC11754	12/15/09	SL	5	\$3,310.00	\$662.00	\$662.00	\$2,648.00
Epson Printer DFX5000 #MW0012116	08/16/11	SL	5	\$935.55	\$187.11	\$15.59	\$467.78
Single Needle Lockstitch #2D3EH0019	12/12/11	SL	5	\$2,992.00	\$598.40	\$49.87	\$1,496.00
Table Stand w/Light #8LEG11500	12/12/11	SL	5	\$3,170.00	\$634.00	\$52.83	\$1,585.00
Flat Seam Feed #28032, #28030	04/13/12	SL	5	\$12,730.00	\$2,546.00	\$212.17	\$6,365.00
Overlock W/Table Stand	04/13/12	SL	5	\$5,180.00	\$1,036.00	\$86.33	\$2,590.00
2 Needle 1/4 Gauge #3M1EL011882	03/28/12	SL	5	\$6,550.00	\$1,310.00	\$109.17	\$3,275.00
2 Needle Channel #3M8EK01155	03/28/12	SL	5	\$3,415.00	\$683.00	\$56.92	\$1,707.50
1 Needle Lockstitch #2D3EJ00174	03/28/12	SL	5	\$5,870.00	\$1,174.00	\$97.83	\$2,935.00
Prog Tracker #2L1EG02051	05/21/12	SL	5	\$4,535.00	\$907.00	\$75.58	\$2,267.50
Safety Switch & Chain Cutter	05/21/12	SL	5	\$2,095.00	\$419.00	\$34.92	\$1,047.50
1/4 Feed Of Arm #2M8EL00022	05/21/12	SL	5	\$13,380.00	\$2,676.00	\$223.00	\$6,690.00
NGC Software Upgrade	01/31/12	SL	5	\$20,656.25	\$4,131.25	\$344.27	\$10,328.13
Prog Tracker #2L1EF01183	05/31/12	SL	5	\$9,630.00	\$1,926.00	\$160.50	\$4,815.00
DFX 9000 Impact Printer	01/15/13	SL	5	\$1,526.49	\$305.30	\$25.44	\$610.60
Eyelet BRH9820-2 W/Stand	08/13/12	SL	5	\$31,625.00	\$6,325.00	\$527.08	\$9,487.50
Button Sewer 2M2DK00037	08/13/12	SL	5	\$28,495.00	\$5,699.00	\$474.92	\$8,548.50
TOTAL VICTORIA:				\$204,098.79	\$40,819.76	\$4,785.08	\$103,679.56

TOTAL FURNITURE & EQUIPMENT

\$263,098.79	\$52,619.76	\$5,768.41	\$156,859.60
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Internal Revenue Service

Department of the Treasury

District Delaware-Maryland District
Director

31 Hopkins Plaza, Baltimore, MD 21201

▷ September 30, 1996

P.O. Box 13163, Room 817
Baltimore, MD 21203

SOUTHSIDE TRAINING EMPLOYMENT AND
PLACEMENT SERVICES INC
ROUTE 2 BOX 292
FARMVILLE, VA 23901-9618

Employer Identification Number:
54-1209110

Person to Contact:
EP/EO Tax Examiner

Telephone Number:
(410) 962-6058

Dear Sir/Madam:

This is in response to your inquiry dated August 5, 1996, requesting a copy of the letter which granted tax exempt status to the above named organization.

Our records show that the organization was granted exemption from Federal Income Tax under section 501(c)(3) of the Internal Revenue Code effective May, 1984. We have also determined that the organization is not a private foundation because it is described in section(s) 509(a)(1) and 170(b)(1)(A)(vi).

Donors may deduct contributions to you under section 170 of the Code.

As of January 1, 1984, you are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more you pay to each of your employees during the calendar year. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

You are required to file Form 990, Return of Organization Exempt from Income Tax, only if your gross receipts each year are normally more than \$25,000. However, if you receive a Form 990 package in the mail, please file the return even if you do not exceed the gross receipts test. If you are not required to file, simply attach the label provided, check the box in the heading to indicate that your annual gross receipts are normally \$25,000 or less, and sign the return.

A copy of our letter certifying the status of the organization is not available, however, this letter may be used to verify your tax-exempt status.

Because this letter could help resolve any questions about your exempt status, it should be kept in your permanent records.

Sincerely yours,



Paul M. Harrington
District Director

Request for Taxpayer Identification Number and Certification

**Give Form to the
requester. Do not
send to the IRS.**

Print or type See Specific Instructions on page 2.	Name (as shown on your income tax return) STEPS Inc.	
	Business name/disregarded entity name, if different from above	
	Check appropriate box for federal tax classification: <input type="checkbox"/> Individual/sole proprietor <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ _____ <input checked="" type="checkbox"/> Other (see instructions) ▶ 501 (C)3	Exemptions (see instructions): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____
	Address (number, street, and apt. or suite no.) 225 Industrial Park Road	Requester's name and address (optional)
	City, state, and ZIP code Farmville, Virginia 23901	
List account number(s) here (optional)		

Part I Taxpayer Identification Number (TIN)																				
Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see <i>How to get a TIN</i> on page 3.	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th colspan="9" style="text-align: center;">Social security number</th> </tr> <tr> <td style="width: 25px; height: 20px;"></td> </tr> </table>	Social security number																		
Social security number																				
Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th colspan="9" style="text-align: center;">Employer identification number</th> </tr> <tr> <td style="width: 25px; height: 20px; text-align: center;">5</td> <td style="width: 25px; height: 20px; text-align: center;">4</td> <td style="width: 25px; height: 20px; text-align: center;">-</td> <td style="width: 25px; height: 20px; text-align: center;">1</td> <td style="width: 25px; height: 20px; text-align: center;">2</td> <td style="width: 25px; height: 20px; text-align: center;">0</td> <td style="width: 25px; height: 20px; text-align: center;">9</td> <td style="width: 25px; height: 20px; text-align: center;">1</td> <td style="width: 25px; height: 20px; text-align: center;">1</td> <td style="width: 25px; height: 20px; text-align: center;">0</td> </tr> </table>	Employer identification number									5	4	-	1	2	0	9	1	1	0
Employer identification number																				
5	4	-	1	2	0	9	1	1	0											

Part II Certification	
Under penalties of perjury, I certify that:	
1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and	
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and	
3. I am a U.S. citizen or other U.S. person (defined below), and	
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.	
Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.	

Sign Here	Signature of U.S. person ▶	Date ▶ 9.2.14
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General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. The IRS has created a page on IRS.gov for information about Form W-9, at www.irs.gov/w9. Information about any future developments affecting Form W-9 (such as legislation enacted after we release it) will be posted on that page.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, payments made to you in settlement of payment card and third party network transactions, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and

4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct.

Note. If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.



Log into SAM

Status During Registration

Getting Started

Draft

Work in Progress

Submitted

Active

Inactive / Expired

Additional Resources

What If My Entity Fails Registration?

Federal Service Desk

How to Check Your Registration Status

Find Your Registration in SAM

SAM Status Tracker

Check registration status by typing in a DUNS number.

DUNS Number 198175572

Plus 4 (Optional)

Check Status

Reset

Status: Active

Your registration was activated on Oct 24, 2013. It expires on Oct 22, 2014 which is one year after you submitted it for processing.



Core Data

Completed



Assertions

Completed



Reps & Certs

Completed



POCs

Completed



Submit

Completed



Processing

Completed



Active

Completed

Check Your Registration Status in SAM

You can quickly check your registration status in SAM by entering your DUNS number above. The SAM Status Tracker will show you the current status of that DUNS number, as well as telling you what steps you have left to complete based on why you are registering.

The SAM Status Tracker uses seven circles to represent the registration process: Core Data, Assertions, Reps & Certs, POCs, Submit, Processing, and Active. Visual indicators in the circles, text underneath the circles, a status message in bold above the circles and user messaging combine to give the registration status.



DEPARTMENT FOR AGING AND REHABILITATIVE SERVICES

**OLDER AMERICANS ACT TITLE V – SENIOR COMMUNITY SERVICE
EMPLOYMENT PROGRAM (SCSEP) CONTRACT**

This Contract entered into by **SOUTHSIDE TRAINING, EMPLOYMENT AND PLACEMENT SERVICES, INC. (STEPS, INC)** hereinafter called the "Contractor," and the Commonwealth of Virginia, Department for Aging and Rehabilitative Services, hereinafter called the "State Agency" for support of activities conducted under the Older Americans Act Title V – Senior Community Service Employment Program (SCSEP). This contract is made pursuant to Section 51.5-135 of the *Code of Virginia* as it relates to powers and duties of the State Agency.

WITNESSETH that the Contractor and the State Agency, in consideration of the mutual covenants, promises and agreements herein contained, agree as follows:

SCOPE OF CONTRACT: The Contractor shall provide the services to the State Agency as set forth in the Contract Documents.

PERIOD OF PERFORMANCE: From July 1, 2014 through June 30, 2015.

THE CONTRACT DOCUMENTS shall consist of:

1. This signed form;
2. Summary of Obligations;
3. Assurances;
4. Contractor's Title V Plan Document and Budget for PY 2014;

All of which documents are incorporated by reference as if expressly set forth herein.

**OLDER AMERICANS ACT TITLE V – SENIOR COMMUNITY SERVICE
EMPLOYMENT PROGRAM (SCSEP) CONTRACT**

Insert Summary of Obligations Page – Federal Funds

**OLDER AMERICANS ACT TITLE V – SENIOR COMMUNITY SERVICE
EMPLOYMENT PROGRAM (SCSEP) CONTRACT**

1. PROGRAM PURPOSE AND REQUIREMENTS

- 1.1 SENIOR COMMUNITY SERVICE EMPLOYMENT PROGRAM (SCSEP) OBJECTIVES:** The SCSEP primary objects are to provide:
- Needed wages to eligible individuals through employment in service to the community;
 - Needed service to the community; and
 - Opportunities for entry/transition of program participants into private or other unsubsidized employment.
- 1.2 OLDER AMERICANS ACT TITLE V PLAN DOCUMENT:** The Older Americans Act (OAA) of 1965, as amended Title V Plan Document prepared by the Contractor establishes the provisions for funding of the activities in this document.
- 1.3 MATCH REQUIREMENT:** The Contractor agrees to provide non-federal support for the work performed. The level of support shall be the higher of the amount equal to ten (10%) percent of the total project costs or the amount shown on the Summary of Obligations. To the extent that the use of the non-federal resources is reasonably within control of the Contractor or its subcontractors, non-federal resources shall be used at the same time and rate as the federal resources.
- 1.4 CORE INDICATORS OF PERFORMANCE:** The Core Indicators of Performance shall consist of the hours (in aggregate) of community service employment; entry into unsubsidized employment; retention in unsubsidized employment for nine (9) months; earnings; the number of eligible individuals served; and the average number of barriers per most-in-need participant. (OAA, Section 513(b)(1)).
- 1.5 PERFORMANCE GOALS:**
- Community Service – 84.2%
 - Common Measures Enter Employment – 38.9%
 - Common Measures Employment Retention – 76%
 - Common Measures Average Earnings – \$7,772
 - Service Level – 150%
 - Service to Most in Need (average # of barriers) – 2.41
 - Retention in unsubsidized employment for a year
 - Customer Satisfaction: employers; participants; and host agencies.
- 1.6 CUSTOMER SATISFACTION DATA:** The Contractor shall assist in collecting employer, participant, and host agency customer satisfaction data by mailing required letters and notifying recipients of importance of responses.

**OLDER AMERICANS ACT TITLE V – SENIOR COMMUNITY SERVICE
EMPLOYMENT PROGRAM (SCSEP) CONTRACT**

- 1.7 PARTICIPANT STATUS:** Individuals enrolled in the SCSEP shall be considered employees of the Contractor for purposes of paying worker's compensation, applicable payroll tax deductions, personnel issues and governing policies, including liability issues. Otherwise, individuals shall be considered trainees and participants in a federally funded employment and training program whose purpose is to prepare individuals for unsubsidized employment.
- 1.8 PARTICIPANT PAYMENT:** The Contractor shall establish uniform policies for payment to individuals enrolled in the SCSEP. The Contractor is encouraged to prohibit payment for sick leave.
- 1.9 COMPLIANCE WITH OTHER REQUIREMENTS:** The Contractor agrees to administer the SCSEP in accordance with the OAA, U.S. Department of Labor (USDOL) Code of Federal Regulations (CFR) at 20 CFR Part 641 and any future applicable USDOL regulations, requirements issued in Older Worker Bulletins (OWB) or Training and Employment Guidance Letters (TEGL), and requirements established by the State Agency. The Contractor agrees to perform the work described to the satisfaction of the State Agency.

The provisions of the following Acts, applicable regulations made pursuant to said Acts and other listed directives are hereby incorporated by reference. All changes in said Acts, regulations and directives are automatically incorporated into this Contract. The Contractor shall assure compliance with the following:

1. Title V of the OAA, as amended, 42 U.S.C. §3056 et seq.;
2. Wagner-Peyser Act of 1933, as amended by the Workforce Investment Act (WIA) of 1998, 29 U.S.C. §2811 et seq., and regulations (20 CFR Part 652 et al.);
3. Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments, 29 CFR Part 97;
4. Grants and Agreements with Non-Profit Organizations, 29 CFR Part 95;
5. Audit Requirements, 29 CFR Part 96;
6. Implementation of the Nondiscrimination and Equal Opportunity Provisions of the WIA, 29 CFR Part 37 and Equal Employment Opportunity Directives;

**OLDER AMERICANS ACT TITLE V – SENIOR COMMUNITY SERVICE
EMPLOYMENT PROGRAM (SCSEP) CONTRACT**

7. Government Wide Debarment and Suspension (Nonprocurement) and Government Wide Requirements for Drug-Free Workplace, 29 CFR Part 98;
8. Jobs for Veterans Act, 38 U.S.C. §§4100-4333;
9. The Virginia Freedom of Information Act, §2.2-3700 et seq. of the *Code of Virginia*, to the extent required by federal and state law, consistent with federal confidentiality requirements and the Government Data Collection and Dissemination Practices Act, §2.2-3800 et seq. of the *Code of Virginia*;
10. Title VI and Title VII of the Civil Rights Act of 1964, Civil Rights Act of 1991, and Nondiscrimination in federally assisted programs of the Department of Labor--effectuation of Title VI of the Civil Rights Act of 1964 (29 CFR Part 31);
11. Americans with Disabilities Act of 1990, 42 U.S.C. §12101 et seq.;
12. Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. §791 et seq., all requirements imposed by the applicable USDOL regulations (29 CFR Part 32) and all guidelines and interpretations issued pursuant thereto;
13. The Occupational Safety and Health Standards for General Industry, 29 CFR Part 1910;
14. Contract Work Hours and Safety Standards Act, 40 U.S.C. §§327-332;
15. Fair Labor Standards Act (FLSA) of 1938, as amended, 29 U.S.C. §201 et seq.;
16. Title IX of the Education Amendments of 1972, as amended, 20 U.S.C. 1681-1683 and 1685-1686, which prohibits discrimination on the basis of handicaps;
17. Age Discrimination Act of 1975, as amended, 42 U.S.C. 6101-6107, which prohibits discrimination on the basis of age;
18. Drug Abuse and Treatment Act of 1972, as amended, relating to nondiscrimination on the basis of drug abuse;
19. Comprehensive Alcohol Abuse and Alcoholism Prevention Treatment and Rehabilitation Act of 1970, as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism;

**OLDER AMERICANS ACT TITLE V – SENIOR COMMUNITY SERVICE
EMPLOYMENT PROGRAM (SCSEP) CONTRACT**

20. Title II and Title III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 which provides for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchase;
21. The Virginia Workers' Compensation Act, §65.2-100 et seq. of the *Code of Virginia*; and
22. Virginia Fair Employment Contracting Act, §2.2-4200 et seq. of the *Code of Virginia*.

2. GENERAL TERMS AND CONDITIONS

- 2.1 **APPLICABLE LAWS AND COURTS:** This Contract shall be governed in all respects by the laws of the Commonwealth of Virginia and any litigation with respect thereto shall be brought in the courts of the Commonwealth. The State Agency and the Contractor are encouraged to resolve any issues in controversy arising from the award of the Contract or any contractual dispute using Alternative Dispute Resolution (ADR) procedures (*Code of Virginia*, §2.2-4366). ADR procedures are described in Chapter 9 of the *Vendors Manual*. The Contractor shall comply with all applicable federal, state and local laws, rules and regulations.
- 2.2 **ANTI-DISCRIMINATION:** By entering into this Contract, the Contractor certifies to the Commonwealth that it will conform to the provisions of the Federal Civil Rights Act of 1964, as amended, as well as the Virginia Fair Employment Contracting Act of 1975, as amended, where applicable, the Virginians with Disabilities Act, the Americans with Disabilities Act, and §2.2-4311 of the *Virginia Public Procurement Act (VPPA)*. If the award is made to a faith-based organization, the organization shall not discriminate against any recipient of goods, services, or disbursements made pursuant to the Contract on the basis of the recipient's religion, religious belief, refusal to participate in a religious practice, or on the basis of race, age, color, gender or national origin and shall be subject to the same rules as other organizations that contract with public bodies to account for the use of the funds provided; however, if the faith-based organization segregates public funds into separate accounts, only the accounts and programs funded with public funds shall be subject to audit by the public body. (*Code of Virginia*, §2.2-4343.1(E)).

In every contract over Ten Thousand (\$10,000.00) Dollars the provisions of 2.2.1 and 2.2.2 below shall apply:

**OLDER AMERICANS ACT TITLE V – SENIOR COMMUNITY SERVICE
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2.2.1 During the performance of this Contract, the Contractor agrees as follows:

2.2.1.1 The Contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment, except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the Contractor. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

2.2.1.2 The Contractor, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, will state that such Contractor is an equal opportunity employer.

2.2.1.3 Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting these requirements.

2.2.2 The Contractor will include the provisions of 2.2.1 above in every subcontract or purchase order over Ten Thousand (\$10,000.00) Dollars, and such provisions will be binding upon each subcontractor or vendor.

2.3 ETHICS IN PUBLIC CONTRACTING: By entering into this Contract, the Contractor certifies that this Contract is made without collusion or fraud and that it has not offered or received any kickbacks or inducements from any other offeror, supplier, manufacturer or subcontractor in connection with this Contract, and that it has not conferred on any public employee having official responsibility for this contractual transaction any payment, loan, subscription, advance, deposit of money, services or anything of more than nominal value, present or promised, unless consideration of .substantially equal or greater value was exchanged.

2.4 IMMIGRATION REFORM AND CONTROL ACT OF 1986: By entering into a written Contract with the Commonwealth of Virginia, the Contractor certifies that the Contractor does not, and shall not during the performance of the Contract for goods and services in the Commonwealth, knowingly employ an unauthorized alien as defined in the federal Immigration Reform and Control Act of 1986.

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- 2.5 DEBARMENT STATUS:** By entering into this Contract, the Contractor certifies that it is not currently debarred by the Commonwealth of Virginia from entering into contracts for the type of goods and/or services covered by this Contract, nor is it an agent of any person or entity that is currently so debarred.
- 2.6 ANTITRUST:** By entering into this Contract, the contractor conveys, sells, assigns, and transfers to the Commonwealth of Virginia all rights, title and interest in and to all causes of action it may now have or hereafter acquire under the antitrust laws of the United States and the Commonwealth of Virginia, relating to the particular goods or services purchased or acquired by the Commonwealth of Virginia under said contract.

2.7 PAYMENT

2.7.1 TO PRIME CONTRACTOR:

- 2.7.1.1** Invoices for items ordered, delivered and accepted shall be submitted by the contractor directly to the payment address shown on the purchase order/contract. All invoices shall show the state contract number and/or purchase order number; social security number (for individual contractors) or the federal employer identification number (for proprietorships, partnerships, and corporations).
- 2.7.1.2** Any payment terms requiring payment in less than thirty (30) days will be regarded as requiring payment thirty (30) days after invoice or delivery, whichever occurs last. This shall not affect offers of discounts for payment in less than thirty (30) days, however.
- 2.7.1.3** All goods or services provided under this contract or purchase order, that are to be paid for with public funds, shall be billed by the contractor at the contract price, regardless of which public agency is being billed.
- 2.7.1.4** The following shall be deemed to be the date of payment: the date of postmark in all cases where payment is made by mail, or the date of offset when offset proceedings have been instituted as authorized under the Virginia Debt Collection Act.
- 2.7.1.5** **Unreasonable Charges.** Under certain emergency procurements and for most time and material purchases, final job costs cannot be

**OLDER AMERICANS ACT TITLE V – SENIOR COMMUNITY SERVICE
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accurately determined at the time orders are placed. In such cases, contractors should be put on notice that final payment in full is contingent on a determination of reasonableness with respect to all invoiced charges. Charges which appear to be unreasonable will be researched and challenged, and that portion of the invoice held in abeyance until a settlement can be reached. Upon determining that invoiced charges are not reasonable, the Commonwealth shall promptly notify the contractor, in writing, as to those charges which it considers unreasonable and the basis for the determination. A contractor may not institute legal action unless a settlement cannot be reached within thirty (30) days of notification. The provisions of this section do not relieve an agency of its prompt payment obligations with respect to those charges which are not in dispute (Code of Virginia, § 2.2-4363).

2.7.2 TO SUBCONTRACTORS: The Contractor is hereby obligated:

2.7.2.1 To pay the subcontractor(s) within seven (7) days of the Contractor's receipt of payment from the Commonwealth for the proportionate share of the payment received for work performed by the subcontractor(s) under the Contract or to notify the State Agency and the subcontractor(s), in writing, of the Contractor's intention to withhold payment and the reason.

2.7.2.2 To pay the subcontractor(s) interest at the rate of one (1%) percent per month (unless otherwise provided under the terms of the Contract) on all amounts owed by the Contractor that remain unpaid seven (7) days following receipt of payment from the Commonwealth, except for amounts withheld as stated in Error! Reference source not found.. The date of mailing of any payment by U.S. Mail postage paid is deemed to be payment to the addressee. These provisions apply to each sub-tier Contractor performing under the primary contract. A Contractor's obligation to pay an interest charge to a

**OLDER AMERICANS ACT TITLE V – SENIOR COMMUNITY SERVICE
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subcontractor may not be construed to be an obligation of the Commonwealth.

- 2.7.3** Each prime contractor who wins an award in which provision of a SWAM procurement plan is a condition to the award, shall deliver to the contracting agency or institution, on or before request for final payment, evidence and certification of compliance (subject only to insubstantial shortfalls and to shortfalls arising from subcontractor default) with the SWAM procurement plan. Final payment under the contract in question may be withheld until such certification is delivered and, if necessary, confirmed by the agency or institution, or other appropriate penalties may be assessed in lieu of withholding such payment.
- 2.7.4** The Commonwealth of Virginia encourages contractors and subcontractors to accept electronic and credit card payments.
- 2.8 PRECEDENCE OF TERMS:** The following General Terms and Conditions APPLICABLE LAWS AND COURTS, ANTI-DISCRIMINATION, ETHICS IN PUBLIC CONTRACTING, IMMIGRATION REFORM AND CONTROL ACT OF 1986, DEBARMENT STATUS, ANTITRUST, PAYMENT shall apply in all instances. In the event there is a conflict between any of the other General Terms and Conditions and any Special Terms and Conditions in this Contract, the Special Terms and Conditions shall apply.
- 2.9 QUALIFICATIONS OF CONTRACTOR:** The Commonwealth may make such reasonable investigations as deemed proper and necessary to determine the ability of the Contractor to perform the services and the Contractor shall furnish to the Commonwealth all such information and data for this purpose as may be requested. The Commonwealth reserves the right to inspect the Contractor's physical facilities prior to award to satisfy questions regarding the Contractor's capabilities. The Commonwealth further reserves the right to reject any proposal if the evidence submitted by, or investigations of, such Contractor fails to satisfy the Commonwealth that such Contractor is properly qualified to carry out the obligations of the Contract and to provide the services contemplated therein.
- 2.10 TESTING AND INSPECTION:** The Commonwealth reserves the right to conduct any test/inspection it may deem advisable to assure services conform to the specifications.

**OLDER AMERICANS ACT TITLE V – SENIOR COMMUNITY SERVICE
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2.11 ASSIGNMENT OF CONTRACT: This Contract shall not be assignable by the Contractor in whole or in part without the written consent of the Commonwealth.

2.12 CHANGES TO THE CONTRACT: Changes can be made to the contract in any of the following ways:

2.12.1 The parties may agree in writing to modify the scope of the contract. An increase or decrease in the price of the contract resulting from such modification shall be agreed to by the parties as a part of their written agreement to modify the scope of the contract.

2.12.2 The Purchasing Agency may order changes within the general scope of the contract at any time by written notice to the contractor. Changes within the scope of the contract include, but are not limited to, things such as services to be performed, the method of packing or shipment, and the place of delivery or installation. The contractor shall comply with the notice upon receipt. The contractor shall be compensated for any additional costs incurred as the result of such order and shall give the Purchasing Agency a credit for any savings. Said compensation shall be determined by one of the following methods:

2.12.2.1 By mutual agreement between the parties in writing; or

2.12.2.2 By agreeing upon a unit price or using a unit price set forth in the contract, if the work to be done can be expressed in units, and the contractor accounts for the number of units of work performed, subject to the Purchasing Agency's right to audit the contractor's records and/or to determine the correct number of units independently; or

2.12.2.3 By ordering the contractor to proceed with the work and keep a record of all costs incurred and savings realized. A markup for overhead and profit may be allowed if provided by the contract. The same markup shall be used for determining a decrease in price as the result of savings realized. The contractor shall present the Purchasing Agency with all vouchers and records of expenses incurred and savings realized. The

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Purchasing Agency shall have the right to audit the records of the contractor as it deems necessary to determine costs or savings. Any claim for an adjustment in price under this provision must be asserted by written notice to the Purchasing Agency within thirty (30) days from the date of receipt of the written order from the Purchasing Agency. If the parties fail to agree on an amount of adjustment, the question of an increase or decrease in the contract price or time for performance shall be resolved in accordance with the procedures for resolving disputes provided by the Disputes Clause of this contract or, if there is none, in accordance with the disputes provisions of the Commonwealth of Virginia *Vendors Manual*. Neither the existence of a claim nor a dispute resolution process, litigation or any other provision of this contract shall excuse the contractor from promptly complying with the changes ordered by the Purchasing Agency or with the performance of the contract generally.

2.13 DEFAULT: In case of failure to deliver services in accordance with the Contract terms and conditions, the Commonwealth, after due oral or written notice, may procure them from other sources and hold the Contractor responsible for any resulting additional purchase and administrative costs. This remedy shall be in addition to any other remedies that the Commonwealth may have.

2.14 INSURANCE: The Contractor shall have the following insurance coverage. The Contractor further certifies that any subcontractors shall maintain this insurance coverage during the entire term of the contract and that all insurance coverage shall be provided by insurance companies authorized to sell insurance in Virginia by the State Corporation Commission.

REQUIRED MINIMUM INSURANCE COVERAGE AND LIMITS:

2.14.1 Workers' Compensation – Statutory requirements and benefits. Coverage is compulsory for employers of three or more employees, to include the employer. Contractors who fail to notify the Commonwealth of increases in the number of employees that change their workers' compensation requirements under the *Code of Virginia* during the course of the contract shall be in noncompliance with the contract.

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2.14.2 Employer's Liability - \$100,000.

2.14.3 Commercial General Liability - \$1,000,000 per occurrence. Commercial General Liability is to include bodily injury and property damage, personal injury and advertising injury, products and completed operations coverage. The Commonwealth of Virginia must be named as an additional insured and so endorsed on the policy.

2.14.4 Automobile Liability - \$1,000,000 per occurrence.

2.15 DRUG-FREE WORKPLACE: During the performance of this Contract, the Contractor agrees to (i) provide a drug-free workplace for the Contractor's employees; (ii) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the Contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition; (iii) state in all solicitations or advertisements for employees placed by or on behalf of the Contractor that the Contractor maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every subcontract or purchase order of over Ten Thousand (\$10,000.00) Dollars, and such provisions will be binding upon each subcontractor or vendor.

For the purposes of this section, "*drug-free workplace*" means a site for the performance of work done in connection with a specific contract awarded to a contractor, the employees of whom are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of the Contract.

2.16 NONDISCRIMINATION OF CONTRACTORS: The Contractor shall not be discriminated against in the award of this Contract because of race, religion, color, sex, national origin, age, or disability, faith-based organizational status, any other basis prohibited by state law relating to discrimination in employment or because the Contractor employs ex-offenders unless the state agency, department or institution has made a written determination that employing ex-offenders on the specific Contract is not in its best interest. If the award of this Contract is made to a faith-based organization and an individual, who applies for or receives goods, services, or disbursements provided pursuant to this Contract objects to the religious character of the faith-based organization from which the individual receives or would receive the goods, services, or disbursements, the public body shall offer the individual, within a

**OLDER AMERICANS ACT TITLE V – SENIOR COMMUNITY SERVICE
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reasonable period of time after the date of his objection, access to equivalent goods, services, or disbursements from an alternative provider.

2.17 AVAILABILITY OF FUNDS: It is understood and agreed between the parties herein that the State Agency shall be bound hereunder only to the extent of the funds available or which may hereafter become available for the purpose of this agreement.

2.18 AUTHORIZATION TO CONDUCT BUSINESS IN THE COMMONWEALTH: A contractor organized as a stock or nonstock corporation, limited liability company, business trust, or limited partnership or registered as a registered limited liability partnership shall be authorized to transact business in the Commonwealth as a domestic or a foreign business entity if so required by Title 13.1 or Title 50 of the Code of Virginia or as otherwise required by law. Any business entity described above that enters into a contract with a public body pursuant to the *Virginia Public Procurement Act* shall not allow its existence to lapse or its certificate of authority or registration to transact business in the Commonwealth, if so required under Title 13.1 or Title 50, to be revoked or cancelled at any time during the term of the contract. A public body may void any contract with a business entity if the business fails to remain in compliance with the provisions of this section.

3. SPECIAL TERMS AND CONDITIONS

3.1 AMENDMENT OF CONTRACT: The Contractor shall submit to the State Agency, for prior approval, all requests for and reasonable documentation of all necessary modifications, additions or deletions in this Contract. The Contractor shall submit a written contract amendment request, subject to approval by the State Agency and signed by both parties, if it intends to change the scope of a service, change the arrangements by which a service is delivered, or make any other substantive change in service delivery or expenditure of funds awarded under this Contract.

The State Agency shall not accept any amendment request after May 31st of the program year.

The State Agency may, from time to time, require changes in the scope of work to be performed or the period of performance by the Contractor through this Contract. Such changes, including any increase or decrease in the amount of funds available for the Contractor, shall be incorporated in written amendments to this Contract according to the procedures established by the State Agency.

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The State Agency shall also make other required changes; therefore, the Contractor agrees that:

- 3.1.1 Any alterations, additions or deletions to this Contract that are required by changes in federal or state statutes, regulations, executive orders and directives are automatically incorporated on the date designated by statute, regulation, executive order or directive;
- 3.1.2 The State Agency shall have the right to make unilateral contract amendments to conform to federal or state statutes, regulations, directives, executive orders and availability of funds; and
- 3.1.3 The Contractor shall notify the State Agency within five (5) working days of inability to conform to a unilateral amendment.

- 3.2 **AUDIT:** The Contractor shall submit to the State Agency an audit or agency-wide financial review for each year covered by the funds awarded under this Contract. If the Contractor receives federal funds that meet or exceed the requirements of OMB Circular A-133, Audits of State, Local Governments and Non-Profit Organizations, the Contractor shall ensure that an agency-wide audit is conducted at the close of each fiscal year in accordance with OMB Circular A-133. If payment under this Contract exceeds Two Hundred Thousand (\$200,000.00) Dollars, but the Agency does not receive federal funds that meet or exceed the OMB Circular A-133 reporting requirements, the Contractor shall submit to the State Agency financial statements reviewed by an independent Certified Public Accountant.

The audit or agency-wide financial review shall comply with OMB Circular A-87, Cost Principles for State and Local Governments or OMB Circular A-122, Cost Principles for Nonprofit Organizations.

For all Area Agencies on Aging (AAAs) the current year audit or agency-wide financial review shall be submitted to the State Agency no later than December 15th of each year. If, for reasons not within the control of the Contractor, this report cannot be submitted by this time, the Contractor shall make a written request for an extension of time. A justifiable extension must be received by December 15th. Submission of an audit or review report beyond a granted thirty (30) day extension or an audit report that does not meet specific state and federal requirements may result in withholding of payments until the audit or independently reviewed financial statements is received and found to be consistent with all requirements.

For contractors that are other than AAAs, an annual audit or agency-wide financial review is required. The audit should be completed within 4

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months of the contractor's year end and the most recent audit or agency-wide financial review shall be submitted to the State Agency upon completion, but no later than December 15th of each year.

3.3 BONDING INSURANCE AND DIRECTORS' AND OFFICERS' LIABILITY INSURANCE: In administering this Contract, the Contractor shall observe sound management practices with respect to Bonding Insurance and Directors' and Officers' Liability Insurance consistent with Section 2.14 above. The Contractor shall comply with related federal, state and local statutory and regulatory requirements and furnish proof of same to the State Agency when requested. The Contractor shall maintain Bonding Insurance that protects all individuals who have check signing authority, the Executive Director, employees responsible for collecting, accounting or maintaining agency funds and employees involved in fundraising. The Contractor shall maintain Directors' and Officers' Liability Insurance that protects members of the governing board, the Contractor's Executive Director, and other Officers of the Corporation against claims brought by employees, consumers, clients, or businesses because of wrongful acts committed in the course of their executive duties.

3.4 CANCELLATION OF CONTRACT: The State Agency reserves the right to cancel and terminate this Contract, in part or in whole, without penalty, upon thirty (30) days' written notice to the Contractor. Any Contract cancellation notice shall not relieve the Contractor of the obligation to deliver and/or perform on all outstanding orders issued prior to the effective date of cancellation.

In the event of cancellation and termination, the Contractor shall be entitled to compensation for any unreimbursed expenses reasonably and necessarily incurred in the satisfactory performance of this Contract as determined by the State Agency. The Contractor, however, shall return all unspent funds to the State Agency, as instructed by the State Agency.

The Contractor upon the State Agency's request shall return to the State Agency, in hard copy and/or electronic format acceptable to the State Agency all books, records, papers, documents and undistributed program materials relative to this Contract within one (1) month of the effective date of cancellation or end of the Contract. The Contractor shall submit to the State Agency completed hard copy files and completed data files in the specified format.

3.5 CERTIFICATION REGARDING LOBBYING: By accepting this Contract and the funds awarded herein, the undersigned hereby certifies, to the best of his or her knowledge and belief, that:

**OLDER AMERICANS ACT TITLE V – SENIOR COMMUNITY SERVICE
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- 3.5.1** No federally appropriated funds have been or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency (as defined at 29 CFR Section 93.105), a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of a federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement;
- 3.5.2** If any funds other than federally appropriated funds have been or will be paid to any person for influencing or attempting to influence an officer or employee of any agency (as defined in 29 CFR Section 93.105), a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of a federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and
- 3.5.3** The undersigned shall require that the language of this certification shall be included in the award documents for all subawards at all tiers (including subcontracts, subgrants and contracts under grants, loans and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. Section 1352. Any person who fails to file the required certification shall be subject to a civil monetary penalty not less than Ten Thousand (\$10,000.00) Dollars and not more than One Hundred Thousand (\$100,000.00) Dollars for each such failure.

- 3.6 CONFIDENTIALITY:** The Contractor shall ensure that no information about, or obtained from, an individual by an agency providing services to that individual under this Contract shall be disclosed in a form that identifies the individual without the written authorization of such individual or his/her legal representative, unless the disclosure is required by court order or by state or federal laws applicable to the services provided under this Contract.
- 3.7 CONFLICT OF INTERESTS:** If the Contractor is a unit of a local governing body or a group of such bodies in a joint exercise of powers, the

**OLDER AMERICANS ACT TITLE V – SENIOR COMMUNITY SERVICE
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provisions of the Virginia State and Local Government Conflict of Interests Act, §§2.2-3100 through 2.2-3131 of the *Code of Virginia* shall apply.

If the Contractor is not such a body subject to the Virginia State and Local Government Conflict of Interests Act, the restrictions specified in 3.7.1 below shall apply. The specified restrictions, however, shall not be interpreted to prohibit members of City Councils or County Boards of Supervisors from being selected officially to represent their governments as members of the governing board, or Board of Directors of the Contractor.

In cases where hardship or disruption of services to the clients would result from strict application of said restrictions, exceptions may be granted by the State Agency only in the form of written amendments to this Contract, sufficient written justification having been submitted by the Contractor to the State Agency.

3.7.1 Unless specifically exempted no officer or member of the governing board or Board of Directors or employee of the Contractor shall:

Be a subcontractor, grantee, or subgrantee of the Contractor other than in his contract of employment, or be an employee, officer, or board member of a subcontractor, grantee, or subgrantee of the Contractor. The fact any such subcontract, grant, or subgrant is awarded after competitive bidding or by negotiation shall be irrelevant; or

Have a material financial interest in a subcontract, grant or subgrant of the Contractor, other than his contract of employment. "Material financial interest" shall include a personal and pecuniary interest accruing to the officer or member of the Contractor's governing board or Board of Directors, or employee, to his spouse or to any other person who resides in the same household. For purposes of this Contract, the ownership of an interest of three (3%) percent or more in a firm, partnership or other business, or aggregate annual income, exclusive of dividend income and interest income, of Ten Thousand (\$10,000.00) Dollars or more, from a firm, partnership or other business shall be deemed to be a material financial interest in such firm, partnership or other business; or

Be a purchaser of any sale made by the Contractor; or

Solicit or accept money or any other thing of value, except compensation, expenses, or other remuneration paid directly to him

**OLDER AMERICANS ACT TITLE V – SENIOR COMMUNITY SERVICE
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or approved for him by the Contractor for services performed within the scope of his official duties.

Because Advisory Councils, if applicable, are not policy-making bodies, the above restrictions do not apply to their members. However, when an Advisory Council meets one or more of the criteria in 3.7.1 above, the Contractor must assure and document in meeting minutes that such member abstained from voting on any recommendations that would benefit such members organization or other financial interests. All such meetings shall be subject to the provisions of the Virginia Freedom of Information Act, §2.2-3700 et seq. of the *Code of Virginia*.

- 3.8 CONTINUITY OF OPERATIONS PLAN:** The Contractor shall develop a Continuity of Operations Plan (COOP) detailing how the agency plans to maintain its operations during an emergency or other situation that would disrupt normal operations. The State Agency will coordinate a task force to identify parameters and best practices to be incorporated in the COOP Plan.
- 3.9 COVENANT AGAINST CONTINGENT FEES:** The Contractor warrants that no person or selling agency or other organization has been employed to solicit or secure this Contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee. For breach or violation of this warrant, the State Agency shall have the right to terminate this Contract without liability or, in its discretion, to deduct from the Contract or otherwise recover the full amount of such commission, percentage, brokerage, or contingent fee, or seek other remedies as legally may be available.
- 3.10 EXPENDITURE OF FUNDS:** The Contractor shall not cause actual or potential annual expenditures to a particular federal or state general fund source to exceed the amount obligated from that source or cause misallocation of expenditures among fund sources for Contract activities.

The Contractor shall assure that all costs supporting activities funded by this Contract shall be allowable, reasonable and necessary in accordance with OMB Circular A-87 Cost Principles for State, Local and Indian Tribal Governments or OMB Circular A-122, Cost Principles for Non-Profit Organizations.

Upon the discovery of circumstances suggesting a reasonable possibility that a fraudulent transaction has occurred involving funds or property under this Contract, the Contractor shall promptly report such information to the State Agency.

OLDER AMERICANS ACT TITLE V – SENIOR COMMUNITY SERVICE EMPLOYMENT PROGRAM (SCSEP) CONTRACT

The State Agency shall monitor Contract expenditures at least quarterly. If the Contractor's expenditures fall more than ten (10%) percent below the proportionate year-to-date Contract amount, without reasonable cause, either for three (3) months or more or at any time after the sixth (6th) month of the program year, the State Agency shall request that the Contractor deobligate unspent funds for redistribution by the State Agency. The State Agency, however, reserves the right to deobligate unilaterally all or part of such unspent funds, if necessary.

The Contractor shall return any unspent funds to the State Agency, as instructed by the State Agency, whether as part of the deobligation process or at the end of the Contract period.

- 3.11 INDEMNIFICATION:** The Contractor agrees to indemnify, defend and hold harmless the Commonwealth of Virginia, its officers, agents, and employees from any claims, damages and actions of any kind or nature, whether at law or in equity, arising from work performed under this Contract. No person performing work pursuant to this Contract shall be deemed an employee of the Commonwealth. Nothing contained herein shall be deemed an expressed or implied waiver of the sovereign immunity of the Commonwealth of Virginia.
- 3.12 INTERNET AND E-MAIL CAPABILITIES:** The Contractor shall maintain capabilities to send and receive information through electronic mail (e-mail) over the Internet for the agency and shall provide the State Agency with the address. The Contractor shall notify the State Agency of any changes within fourteen (14) days. The Contractor shall notify the State Agency by submitting a new Area Agency and Contractor Information Form.
- The Contractor will use both virus and spyware detection software for all computers capable of interacting with State Agency. Both virus and spyware applications must be periodically updated with new definitions, at least weekly.
- 3.13 INTERPRETATION OF FEDERAL REGULATIONS:** Although this is a Contract between the State Agency and the Contractor, for purposes of interpreting federal regulations, the federal regulatory provisions for "grants" and "grantees" usually apply to the Contractor rather than the provisions for "contracts."
- 3.14 LICENSURE/CERTIFICATION REQUIREMENTS:** The Contractor shall assure that where state or local public jurisdictions require licensure or certification for the provision of services, agencies or individuals providing such services under this Contract shall be licensed/certified in good standing.

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EMPLOYMENT PROGRAM (SCSEP) CONTRACT**

- 3.15 OBLIGATION OF FUNDS:** For support of work described in this Contract, subject to availability of funds, the State Agency obligates funds as specified in the Summary of Obligations, included herein as part of the Contract. The budget in the Contractor's proposal is the approved budget for services under the terms of this Contract.

Transfers of ten (10%) percent or more into or from any category within the budget must be approved in advance by the State Agency. The Contractor shall submit requests for approval of such transfers in writing. Transfers of ten (10%) percent or more into or from any category within the budget are not allowed in the last thirty (30) days of the Contract period.

- 3.16 OWNERSHIP OF INTELLECTUAL PROPERTY:** The Contractor is prohibited from copyrighting any documents, reports, forms, databases, programs, web sites/pages or other materials created in the course of performing this Contract, and from obtaining any patent on these or any invention or other discovery resulting from its performance under the terms and conditions of this Contract.

The Commonwealth of Virginia shall retain all rights, title and interest in any and all intellectual property generated, created, or developed as a result of this Contract.

On all publications and materials designed for public distribution, the Contractor shall include the express acknowledgement, "This publication has been created or produced by (Contractor Name) with financial assistance, in whole or in part, from the Department of Labor and/or the Department for Aging and Rehabilitative Services."

- 3.17 PERSONNEL CHANGES:** The Contractor shall notify the State Agency of changes in program name, key personnel, addresses, telephone numbers, e-mail addresses, web site URLs and other significant administrative changes within fourteen (14) days of the change. The Contractor will notify the State Agency by submitting a new Area Agency and Contractor Information Form.

- 3.18 PRIME CONTRACTOR RESPONSIBILITIES:** The Contractor shall be responsible for completely supervising and directing the work under this Contract and all subcontractors that it may utilize, using its best skill and attention. Subcontractors who perform work under this Contract shall be responsible to the prime Contractor. The Contractor agrees that it is as fully responsible for the acts and omissions of its subcontractors and of persons employed by them as it is for the acts and omissions of its own employees.

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EMPLOYMENT PROGRAM (SCSEP) CONTRACT**

- 3.19 PROCUREMENT:** If not subject by statute to the Virginia Public Procurement Act, §§2.2-4300 through 2.2-4377 of the *Code of Virginia*, the Contractor shall have written policies and procedures that are consistent with, or exceed, the requirements of said Act for public bidding or offering. The Contractor shall purchase goods and services with funds awarded under this Contract according to the applicable requirements.

The Contractor shall incorporate into any subgrant, subcontract or purchase order over Fifty Thousand (\$50,000.00) Dollars the conditions specified in the Virginia Public Procurement Act, §§2.2-4300 through 2.2-4377 of the *Code of Virginia*.

- 3.20 PROGRAM AND FINANCIAL COMPLIANCE REVIEW AND PROGRAM EVALUATION:** The State Agency reserves the right to monitor all administrative, programmatic, and financial activities related to this Contract to ensure compliance with the terms of this Contract. Program and Financial Compliance Reviews (PFCRs) may be accomplished through ongoing review of data submitted to the State Agency by the Contractor and through periodic onsite review of the Contractor's records and interviews with administrative/financial/program staff and service recipients. Access to financial records shall include records of program income and cost allocation plans. Records and staff shall be available for monitoring during business hours to authorized representatives of the Department of Labor, State Agency or the Commonwealth of Virginia.

The Contractor shall monitor, at least annually, any administrative, programmatic, and financial activities under this Contract performed by its subcontractors. The Contractor shall ensure that all subcontracts and other purchase agreements provide for such monitoring, including access, by the Contractor, the State Agency, and any other state authorized agents, to all subcontractor books, documents, papers, records, including those in electronic format and e-mail, and staff directly pertinent to activities under this Contract.

The Contractor shall cooperate and assist in any State Agency efforts to evaluate the performance including the effectiveness and cost of activities under this Contract. The Contractor shall respond to the State Agency's request for additional information to evaluate performance or to address any PFCR findings. If requested, the Contractor will submit a PFCR Corrective Action Plan by the required due date.

- 3.21 PROGRAM CLOSEOUT:** The Contractor shall ensure that an orderly and prompt closeout of the Contract is completed not more than thirty (30) days after the end of the Contract period, in accordance with instructions issued by the State Agency.

**OLDER AMERICANS ACT TITLE V – SENIOR COMMUNITY SERVICE
EMPLOYMENT PROGRAM (SCSEP) CONTRACT**

- 3.22 PUBLIC INFORMATION:** The Contractor shall provide for a continuing program of public information specifically designed to assure that information about the programs and activities carried out under this Contract are effectively and appropriately promulgated throughout the specified service area.

The Contractor shall make available, at reasonable times and places in the offices of the Contractor, this Contract, all periodic reports and all policies governing the administration of programs and activities performed for this Contract for review upon request by interested persons and representatives of the media.

- 3.23 PURCHASE OF EQUIPMENT:** The Contractor shall obtain written approval from the State Agency before purchases of equipment and computers having an acquisition cost of Five Thousand (\$5,000.00) Dollars or more. "Equipment" means tangible, nonexpendable, personal property having a useful life of more than one (1) year. The following restrictions and requirements apply to all equipment purchases:

3.23.1 The Contractor shall submit requests for purchase approval to the State Agency as needed, but no later than sixty (60) days before the end of the program year.

3.23.2 The Contractor shall maintain an up-to-date inventory of all new equipment and computers currently on hand from previous contracts with the State Agency and all new purchases under this Contract.

3.23.3 The Contractor shall maintain all equipment and computers in good condition.

3.23.4 Equipment and computers purchased with funds awarded under this Contract or previous contracts with the State Agency shall revert to the State Agency at the conclusion of the program.

- 3.24 RECORDS AND REPORTS:** The Contractor shall keep records and make reports containing information in the form required by the State Agency. The Contractor shall maintain accounts and documents that shall permit prompt determination of the status of funds and the level of services provided under this Contract, including the disposition of all monies received from the State Agency and the nature and amount of all charges claimed against such funds.

The Contractor shall maintain auditable records that clearly document the amount of staff time spent on the Contract activities and tasks.

OLDER AMERICANS ACT TITLE V – SENIOR COMMUNITY SERVICE EMPLOYMENT PROGRAM (SCSEP) CONTRACT

All fiscal reports are to be prepared on a modified accrual basis. If the Contractor's accounting records are not kept on that basis, the Contractor shall develop the necessary accrual information through analysis of pertinent documentation on hand.

The Contractor shall retain all books, records and other documents relative to this Contract for five (5) years after the final report or until any questioned audit cost is cleared, whichever is later. The State Agency, its authorized agents, and/or state auditors shall have full access to and the right to examine any of said materials during said period.

The Contractor upon the State Agency's request, any time during the grant year shall provide to the State Agency, in hard copy and/or electronic format acceptable to the State Agency all books, records, papers, documents and undistributed program materials relative to this Contract.

The Contractor shall limit access and have in place security precautions to protect sensitive participant personnel data in electronic and hard copy files.

The Contractor agrees to include in all subcontracts or other agreements for the purchase of goods and services a provision that the Contractor and its authorized agents shall have access to any books, documents, papers, and records of the subcontractor that are directly pertinent to that specific agreement.

The Contractor understands and agrees to submit all reports accurately and on time. The State Agency may withhold or delay payment if the Contractor is delinquent in submitting any required reports or data especially those listed below. Additionally, a delinquent Aging Monthly Report or Aging Monthly Report-Other Contractors may not be processed for reimbursement until the following month.

3.24.1 Title V Program Software: The Contractor shall submit accurate participant level and service data as required by DOL using the DOL SCSEP Data Collection System.

The Contractor must maintain an Intel based computer physically capable of holding the software data with a dedicated internet connection. The minimum internet connection shall be DSL line speed or higher. The minimum server or client CPU speed shall be no less than 1.4GHz. The operating system must be Windows 2000, Windows 2003 or Windows XP.

**OLDER AMERICANS ACT TITLE V – SENIOR COMMUNITY SERVICE
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Required data is to be reported accurately and timely. Failure to provide complete and accurate data by the established time limits each quarter is a violation of the terms of the Contract and may result in administrative action, including the withholding of funds.

3.24.2 Aging Monthly Report-Other Contracts (AMR-OC): By the twelfth (12th) day of the second (2nd) and each succeeding month of the Contract period, the Contractor shall submit a monthly financial and program report and cash request using the State Agency's Aging Monthly Report-Other Contracts (AMR-OC) along with other forms and reports established and required in accordance with instructions issued by the State Agency. If the twelfth (12th) is not a state business day, reports will be accepted on the next workday.

The Contractor shall submit an Aging Monthly Report even if no reimbursement is requested. The data elements listed should be reported on a monthly basis that will allow for annual, non-duplicated totals and percentages.

3.24.3 Title V – Equitable Distribution Report: The State Agency will require the Contractor to submit a Title V – Equitable Distribution Report in compliance with program requirements.

3.24.4 Title V Closeout Report: The Contractor shall ensure that an orderly and prompt closeout of the Contract is completed not more than thirty (30) days after the end of the Contract period, in accordance with instructions issued by the State Agency. The Contractor is required to submit a Title V – Closeout Report.

3.25 REIMBURSEMENT: Subject to availability of funds, the State Agency agrees to reimburse the Contractor for expenditures up to and not exceeding the maximum amount provided under this Contract, as set forth in the Summary of Obligations. The Contractor shall be advanced the lesser of one-twelfth (1/12th) of the Contract amount or the Contractor's projected needs for thirty (30) days.

Requests for reimbursement will be determined by information provided on the Aging Monthly Report as specified in 3.24.2 above or in accordance with instructions issued by the State Agency.

Payment will be bound by the approved budget referenced in 3.15 above, as presented, which shall be strictly construed.

The State Agency reserves the right to disallow costs and/or withhold payment if the Contractor fails to comply with statutes, regulations, policies, procedures, or other directives applicable to this Contract.

**OLDER AMERICANS ACT TITLE V – SENIOR COMMUNITY SERVICE
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The State Agency reserves the right to modify or add reimbursement policies, as appropriate, to assure compliance with statutes, regulations, policies, procedures, or other directives applicable to this Contract.

The Contractor shall submit a final report within thirty (30) days after the end of the contract period.

- 3.26 RENEWAL OF CONTRACT:** This Contract may be renewed by the State Agency upon written agreement of both parties for five (5) successive one year periods, under the terms of the current contract, and at a reasonable time (approximately ninety (90) days) prior to the expiration.

The Contractor will submit a budget for successive year's funding ninety (90) days prior to the end of the contract period. The State Agency will review the budget and, if necessary, negotiate the budget amount.

- 3.27 SEVERABILITY:** Each paragraph and provision of this Contract is severable from the entire Contract; and if any provision is declared invalid, the remaining provisions shall nevertheless remain in effect.

- 3.28 SUBCONTRACTORS:** No portion of the work shall be subcontracted without prior written consent of the State Agency. In the event that the Contractor desires to subcontract some part of the work specified herein, the Contractor shall furnish the State Agency the names, qualifications and experience of their proposed subcontractors. The Contractor shall, however, remain fully liable and responsible for the work to be done by its subcontractor(s) and shall assure compliance with all requirements of the Contract.

- 3.29 STATE CORPORATION COMMISSION IDENTIFICATION NUMBER:** Pursuant to Code of Virginia, §2.2-4311.2 subsection B, a contractor organized or authorized to transact business in the Commonwealth pursuant to Title 13.1 or Title 50 is required to include in its contract the identification number issued to it by the State Corporation Commission (SCC). Any contractor that is not required to be authorized to transact business in the Commonwealth as a foreign business entity under Title 13.1 or Title 50 or as otherwise required by law is required to include in its contract a statement describing why the contractor is not required to be so authorized.

- 3.30 TRAININGS, WORKSHOPS, AND MEETINGS:** The Contractor is responsible for determining and providing the proper training to Contractor staff (including staff employed by its subcontractors) necessary to implement the Title V Program.

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The State Agency and DOL may provide additional opportunities for trainings, workshops, meetings, and conference calls. Generally, attendance by appropriate Contractor staff is optional, but strongly encouraged. However, the State Agency reserves the right, while giving reasonable notice, to require individuals having appropriate responsibilities under the Title V Program to attend the training, workshop, or meeting.

IN WITNESS WHEREOF, the parties have caused this Contract to be duly executed, intending to be bound thereby.

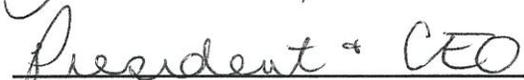
**DEPARTMENT FOR AGING AND
REHABILITATIVE SERVICES:**

CONTRACTOR:

James A. Rothrock
Commissioner

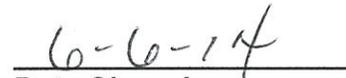


Signature of Authorized Official



Title of Authorized Official

Date Signed



Date Signed

Note: This public body does not discriminate against faith-based organizations in accordance with the *Code of Virginia*, §2.2-4343.1 or against a bidder or offeror because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment.

**Workplace Support Grant Service Contract
Placement and Retention Services (July 1, 2014-June 30, 2015)**



Between

**Amelia County Department of Social Services
Appomattox County Department of Social Services
Buckingham County Department of Social Services
Charlotte County Department of Social Services
Cumberland County Department of Social Services
Lunenburg County Department of Social Services
Nottoway County Department of Social Services
Prince Edward Department of Social Services**

The above listed counties have agreed to come together to form a collaborative group to purchase the services outlined in this contract, and will hereafter be referred to as the Local Departments of Social Services.

And

STEPS, Inc., hereafter referred to as the Vendor.

PURPOSE

The purpose of this Placement & Retention contract is to purchase services that shall assist hard to serve TANF clients in gaining self-sufficiency by providing skills necessary to find and retain meaningful employment for a minimum of 90 days of continuous employment.

PROCEDURES, COMPENSATION, AND DURATION OF THE CONTRACT

The Local Departments of Social Services have agreed to pool their allocations totaling \$120,000 to purchase Placement and Retention Services. These services must be provided for up to a minimum of 100 clients on a referral basis from July 1, 2014 to June 30, 2015. Each local department of social services shall have access to, but is not necessarily limited to its number of designated referrals. Approval to exceed the number of designated referrals must be given by the fiscal agent, Charlotte County Social Services, to the local department of social services making the request. The number of designated referrals is as follows:

Amelia – 8
Appomattox – 10
Buckingham – 8
Charlotte – 12
Cumberland – 10
Lunenburg – 10
Nottoway – 18
Prince Edward – 24

**Workplace Support Grant Service Contract
Placement & Retention Services (July 1, 2014 – June 30, 2015)**

Upon receipt of the deliverables, the Local Departments of Social Services agree to pay the Vendor at the Department of Rehabilitative Services approved rate per hour for a maximum of 32 hours per client. Referrals shall come directly from each local department to the Vendor. At the time of referral of the client, the local department of social services shall authorize a maximum of thirty-two hours of service for a three-month time period, which may be extended for an additional three months or more as deemed appropriate by the local department of social services purchasing the service. Up to 16 additional hours may also be purchased (not to exceed a total of 48 hours per client) with approval from the local department of social services VIEW/Employment Services Worker. Any additional hours deemed necessary, beyond the 48 hours per client, must be purchased from other funding sources by the local department of social services VIEW/Employment Services Worker.

SCOPE OF SERVICES AND DELIVERABLES

The Vendor shall provide the following services essential to help clients obtain employment and teach retention skills necessary for the client to retain continuous employment for a minimum of 90 days. The Vendor shall not be eligible for any payments until the services and the necessary documentation have been provided.

Placement Services shall require the Vendor to assist the client in their search for employment. During this search process, the Vendor shall maintain weekly contact with the client, either via phone or in person. Services may include but are not limited to job referrals, job development, employer contacts to include securing future cooperation with services, assistance with workplace accommodations, transportation, application and interview skill development, and referrals to community resources. Documentation must include the employer, start date, pay rate, number of scheduled hours and Vendor's actions leading to placement.

Retention Services shall include job coaching and training in essential job retention skills. Once the client obtains employment, the Vendor shall visit the client and/or employer at the job site at a time mutually convenient to all parties at least three (3) times during the initial 90 days of employment. In addition, the Vendor shall contact the client on a bi-weekly basis, either via phone or in person. The Vendor shall be helping the client with job-related tasks and challenges, job etiquette, and working successfully with their supervisor and co-workers. Documentation must include a summary report at the closing of the case, which will include a statement of client's continuous employment, dates and summaries of contacts, and an evaluation of continuing barriers/needs.

TERMS AND CONDITIONS

Performance: The Vendor agrees that the target percentage of TANF clients who receive the deliverables and are employed for 90 continuous days will be 60%.

**Workplace Support Grant Service Contract
Placement & Retention Services (July 1, 2014 – June 30, 2015)**

General: Nothing in the Contract shall be construed as authority for either party to make commitments which shall bind the other party beyond the scope of service contained herein.

Availability of Funds: It is understood and agreed between the parties herein that all Local Departments of Social Services shall be bound hereunder only to the extent of the funds available for the purpose of this agreement.

Termination of Contract: Either party may terminate the contract by providing 45 days written notice to the other party. Funds would be payable only for the services requested and provided prior to the termination date.

Billing and Payments: The Charlotte County Department of Social Services shall only pay for actual services provided under this contract based on receipt of the stated deliverables and services performed to the satisfaction of the local department of social services VIEW staff and administration. The Vendor shall bill monthly to the local department of social services agencies by submitting a complete invoice and log of activities by the 8th day of each month. The log of activities should be completed for each deliverable and outline the services per hour provided by the Vendor. Billing will be based on actual hours of service per client, which will be billed in 15 minute increments.

The local department of social services VIEW/Employment Services Worker will review and approve all invoices. The invoices will then be forwarded to Charlotte County Department of Social Services by the 18th of each month in order for one payment to be made to the Vendor monthly.

Contract Modifications: The Local Departments of Social Services may, upon mutual agreement with the Vendor, issue written modifications to this contract, including the scope of work and compensation. Any and all modifications to the Contract shall be in writing and signed by the parties below or their official designee.

EXECUTION

IN WITNESS WHEREOF, the parties have caused this Contract to be duly executed intending to be bound thereby.

**Workplace Support Grant Service Contract
Placement & Retention Services (July 1, 2014 – June 30, 2015)**

By signatures affixed below, the parties specify their agreement:



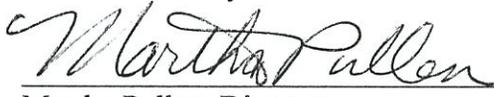
Sharon Harrup, Executive Director
STEPS, INC.

7.9.14
Date



Sari Goff, Director
Charlotte County Social Services

6-17-14
Date



Martha Pullen, Director
Amelia County Social Services

6-20-2014
Date



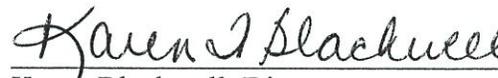
Brad Burdette, Director
Appomattox County Social Services

6-24-14
Date



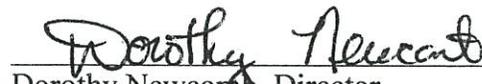
Braxton Apperson, Director
Buckingham County Social Services

6-20-2014
Date



Karen Blackwell, Director
Cumberland County Social Services

6/20/14
Date



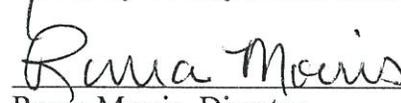
Dorothy Newcomb, Director
Lunenburg County Social Services

6-17-14
Date



Bernetta Watkins, Acting Director
Nottoway County Social Services

6/17/14
Date



Roma Morris, Director
Prince Edward Social Services

6-17-14
Date

Service Agreement

Between

Nottoway County Public Schools

And

STEPS, Inc.

A previous agreement, dated 7/7/11, between Nottoway County Public Schools (NCPS) and STEPS, Inc. documented both agencies' commitment to a pre-paid purchase and delivery-over-time of services. This agreement will replace the original agreement of 7/7/11 and set a path for the dispensation of any as of yet unused funds/services.

In September, 2011, NCPS made a pre-paid purchase of STEPS, Inc. Transitional Vocational Training services in the amount of \$31,000.00. To date, NCPS has made use of services in the amount of \$22,171.10 leaving a pre-paid balance of \$8,828.90.

The following agreement will outline the responsibilities of each organization with respect to the intention of NCPS to continue to make use of pre-purchased Transitional Vocational Training Services for its students and STEPS, Inc. intention to provide said services.

Nottoway County Public Schools agrees to the following:

*As of the date of this agreement, NCPS' current pre-paid purchase of service balance is \$8,828.90.

*NCPS will refer appropriate (based on STEPS, Inc. entrance criteria and the decision of the individual's IEP Team) students for a Situational Assessment and, if deemed appropriate by the IEP Team, a period of Work Adjustment Training. The length of any requested Work Adjustment Training will be determined by the IEP Team using forty (40) school-days as a guideline.

*NCPS will refer an adequate number of appropriate students to make use of all prepaid funds within two (2) school-years from the date this agreement is signed. Based on the current balance of the prepaid funds, this will equate to approximately 180 student-school-days (this number will vary based on chosen services and/or rate changes during the agreement period).

*Should the services requested by NCPS exceed the prepaid amount, NCPS agrees to pay STEPS, Inc. for the additional services at its published service rate.

*NCPS will provide all students transportation to/from STEPS each day of attendance.

*NCPS will make arrangements to ensure each student has an adequate lunch each day of attendance at STEPS.

*NCPS will, within one hour of notification, provide transportation for any or all Nottoway County Public School students to be retrieved from STEPS, Inc. in the event of illness, emergency, etc.

STEPS, Inc. agrees to the following:

*Based upon the requested services, STEPS, Inc. will provided individualized Situational Assessment and/or Work Adjustment Training services for referred/accepted NCPS students.

*STEPS, Inc. will ensure the availability of adequate space within one of its training facilities to provide the agreed upon services for the number of students deemed appropriate by NCPS, STEPS, Inc. entrance criteria and the students' IEP Teams.

*When notified in advance, STEPS, Inc. will make every effort to have staff present at all service-related meetings (IEP meetings, post-service report meetings, etc.) held for potential and actual service referrals.

*STEPS, Inc. will provide NCPS written interim and final training progress reports on a frequency to be agreed upon at a later date.

*STEPS, Inc. will base all service fees on its published rates at the time an individual service is provided. STEPS' service rates are reviewed annually and are subject to change based on cost of service provision.

*STEPS, Inc. will provide NCPS written invoices on a monthly basis documenting services provided and the corresponding fees deducted from the prepayment total (\$8,828.90).

This agreement can be dissolved by either party with a thirty (30) day written notice. In the even either party chooses to end the agreement, both parties shall enter into negotiations in order to come to a mutually satisfying agreement for the accounting and dispensation of any remaining pre-paid funds or the timely payment of any service fees not covered by the pre-payment amount.

By signing below, the parties agree to their responsibilities as outlined in this agreement

Jean Dooley 5/28/14
Representative of Nottoway Co. Public Schools Date

Francis J. Jarnup, CEO 5.16.14
Representative of STEPS, Inc. Date



Terence R. McAuliffe
Governor

Maurice A. Jones
Secretary of Commerce
and Trade

COMMONWEALTH of VIRGINIA

William C. Shelton
Director

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

August 18, 2014

Dear Grantee:

Enclosed is the signed VHSP grant agreement. Please sign, scan and upload into DHCD's Centralized Application Management System (CAMS) per the enclosed instructions by September 2, 2014, and retain one for your records.

Email is DHCD's primary means of communicating with grantees and ensuring that information is distributed in a timely manner. Please take a moment to confirm that the correct individuals in your agency have access to DHCD emails, they are reading them and responding appropriately. Do not hesitate to contact your program administrator should you have any questions.

DHCD values your partnership and appreciates your continued efforts to serve those experiencing or at risk of homelessness in the Commonwealth. We look forward to working with you in FY 2015.

Sincerely,

A handwritten signature in cursive script that reads "Kathy D. Robertson".

Kathy D. Robertson
Associate Director

Enclosures

The Department of Housing and Community Development (DHCD) would like to take a moment to update you on the agency's new Audit Policy. The policy is effective July 15, 2014. All organizations for FY 2015 and moving forward receiving funds from DHCD's Division of Housing are required to submit a financial document, yearly.

Acceptable financial documents are a Financial Statement**, Reviewed Financial Statement prepared by an independent Certified Public Accountant (CPA), Audited Financial Statement prepared by an independent CPA or an OMB A-133 Audit (Single Audit) prepared by an independent CPA. Please see the table below to determine which document your organization is required to submit.

The threshold requirements outlined below are the *minimal* standards required by DHCD. We strongly encourage all organizations to undertake the highest level of financial management review to ensure practices and procedures are fully examined and evaluated.

Threshold Requirement	Document
Total annual expenditures ≤\$100,000 – regardless of source	Financial Statement prepared by organizations**
Total annual expenditure between \$100,001 and \$300,000 – regardless of source	Reviewed Financial Statement prepared by an Independent Certified Public Accountant (CPA)
Total annual expenditures > \$300,000 – regardless of source	Audited Financial Statement prepared by an Independent CPA
Federal expenditures ≥\$500,000 (<i>increases to \$750,000 as of January 2015</i>)	OMB A-133 Audit (Single Audit) prepared by an Independent CPA

**Does not require preparation by a CPA

Financial documents must be electronically submitted in DHCD's Centralized Application and Management System (CAMS) within nine (9) months after the end of your fiscal year or 30 (thirty) days after it has been accepted (Reviewed Financial Statement, Audited Financial Statement, and OMB A-133 Audit only) -whichever comes first.

If you have any questions regarding the Audit Policy, please contact Lyndsi Austin at (804) 371-7122 or Lyndsi.Austin@dhcd.virginia.gov

The full DHCD Audit Policy, including an explanation of the specific document requirements, can be found online at:

http://www.dhcd.virginia.gov/images/DHCD/DHCD_Audit_Policy.pdf.

**GRANT AGREEMENT
VIRGINIA HOMELESS SOLUTIONS PROGRAM
Program Year 2014-2015**

15-VHSP-082

This Grant Agreement is made by and between the **Virginia Department of Housing and Community Development (“DHCD”)**, and **STEPS, Inc. (“Grantee”)** for the period **July 1, 2014 to June 30, 2015** in the amount of **\$160,032** is to be expended for shelter operations, diversion/prevention activities, rapid re-housing activities, child services coordination, centralized/coordinated assessment, CoC planning, HMIS and/or administration as indicated in the DHCD approved budget. The Grantee was identified in the 2014-2016 Virginia Homeless Solutions Program (VHSP) application submitted by the lead agency (or designee) of the Continuum of Care (CoC) or Balance of State Local Planning Group (LPG). Activities funded through this grant will be provided at the Grantee location(s) identified in DHCD’s Centralized Application Management System (CAMS).

The Department of Housing and Community Development administers the Commonwealth of Virginia’s homeless services resources through the Virginia Homeless Solutions Program (VHSP). The Grant, which is the subject of this Agreement, is comprised of state funds through State General Fund appropriations and an allocation from the United States Department of Housing and Urban Development (HUD) authorized under the Emergency Solutions Grant for federal fiscal year 2014-2015. The Grant is subject to the terms, guidelines and regulations set forth in the 2014-2016 Virginia Homeless Solutions Program Guidelines document, any subsequent amendments, the CoC/LPG proposal as amended through negotiations with DHCD, the DHCD approved Grantee budget, HUD regulations 24 CFR Part 576, as amended, which are incorporated by reference as part of this Agreement, the laws of the Commonwealth of Virginia and federal law.

I. Scope of Services

The Virginia Homeless Solutions Program (VHSP) goals are to assist households experiencing homelessness to quickly regain stability in permanent housing and to prevent households from becoming homeless. This funding will support coordinated community-based activities that are designed to reduce the overall length of homelessness in the community, the number of households becoming homeless, and the overall rate of formerly homeless households returning to homelessness. VHSP funds may be used for one or more of the following activities as detailed in the VHSP guidelines and must coincide with the VHSP year one request submitted by the Continuum of Care/Local Planning Group lead agency and approved by DHCD:

- Shelter Operations
- Rapid Re-Housing
- Prevention
- Child Services Coordination
- Centralized/Coordinated Assessment System
- CoC Planning
- HMIS
- Administration
- HOPWA Assistance (HOPWA activities will be covered by a separate grant agreement)

II. Conditions

A. Service Provision

The Grantee is responsible for coordination of VHSP activities with other CoC/LPG VHSP Grantees and mainstream resources. The Grantee must assure non-duplication of services with other VHSP Grantees.

B. Reimbursement

Funds are disbursed on a reimbursement basis. Grantees must submit remittances in DHCD's Centralized Application Management System (CAMS) and be able to provide documentation that the work, services, or cost occurred within the grant period and the expenses were paid appropriately by the Grantee. The Grantee agrees to adhere to the reimbursement schedule as follows:

Expenditure Period	Remittance in CAMS Submission Date
July 1, 2014 – August 31, 2014	September 10, 2014
September 1, 2014 – October 31, 2014	November 10, 2014
November 1, 2014 – December 31, 2014	January 10, 2015
January 1, 2015 – February 28, 2015	March 10, 2015
March 1, 2015 – April 30, 2015	May 10, 2015
Projection	Projection
May 1, 2015 – June 30, 2015	May 10, 2015
Actual	Actual
May 1, 2015 – June 30, 2015	July 10, 2015

Failure to submit remittances in accordance with the schedule as stated above may result in payment delay or denial.

C. Reporting

Grantees must submit the following reports:

Quarterly Reports

The Grantee must submit quarterly reports no later than the tenth day of the month following the end of the quarter as indicated below:

Report Period	Due Date
July 1, 2014- September 30, 2014	October 10, 2014
October 1, 2014 - December 31, 2014	January 9, 2015
January 1, 2015– March 31, 2015	April 10, 2015
April 1, 2015 - June 30, 2015	July 10, 2015

Grantees are required to submit reports for all four quarters regardless of when grant funds are fully expended. Submission of the quarterly reports implies approval from the Executive Director and is considered final. DHCD reserves the right to withhold reimbursement payments if the Grantee fails to submit the quarterly reports in accordance with the prescribed schedule.

Year End Report

A year-end report may be required.

D. Continuum of Care Participation

Grantees must actively participate in the Homeless Management Information System (HMIS) and regional Continuum of Care or Balance of State local planning groups. In addition, Grantees must assure full participation in annual point-in-time and housing inventory counts.

E. Accounting

The Grantee must adhere to Generally Accepted Accounting Principles (GAAP). The Grantee shall establish and maintain separate accounts within its existing accounting system or set up accounts independently. The Grantee shall record in its accounting system all grant payments received pursuant to the grant and all other match funds provided for, accruing to, or otherwise received on account of the grant.

All costs charged to the grant shall be supported by properly executed payrolls, timesheets, contracts, or vouchers evidencing in proper detail the nature and propriety of the charges. All checks, payrolls, contracts, vouchers, or other accounting documents pertaining in whole or in part to the grant shall be clearly identified, readily accessible, and separate and distinct from all other such documents. Such documents shall reside at the offices of the grantee.

F. DHCD Notification

Grantee must notify DHCD of any potentially illegal act, such as misuse of grant funds or fair housing violations, immediately upon knowledge of such act. In addition, Grantee must notify DHCD should any other local, federal or state agency uncover evidence of any potentially illegal act. Failure to do so will constitute a finding and may result in repayment of funds by the Grantee, the de-obligation of current funding and the preclusion of future funding.

G. Audit

All grantees, sub-grantees, CHDOs, and sub-recipients, localities, developers, or any other organizations that receive funding during a specific program year are required to submit one of the following financial documents: Financial Statement**, Reviewed Financial Statement prepared by an independent Certified Public Accountant (CPA), Audited Financial Statement prepared by an independent CPA or an OMB A-133 Audit (Single Audit) prepared by an independent CPA. Please see the table below to determine which document your organization is required to submit.

The threshold requirements outlined below are the minimal standards required by DHCD. We strongly encourage all organizations receiving funds from DHCD to undertake the highest level of financial management review to ensure practices and procedures are fully examined and evaluated.

Threshold Requirement	Document
Total annual expenditures ≤\$100,000 – regardless of source	Financial Statement prepared by organizations**
Total annual expenditure between \$100,001 and \$300,000 – regardless of source	Reviewed Financial Statement prepared by an Independent Certified Public Accountant (CPA)
Total annual expenditures > \$300,000 – regardless of source	Audited Financial Statement prepared by an Independent CPA
Federal expenditures ≥\$500,000 (<i>increases to \$750,000 as of January 2015</i>)	OMB A-133 Audit (Single Audit) prepared by an Independent CPA

**Does not require preparation by a CPA

Entities shall file the required financial document in the Centralized Application and Management System (CAMS) within nine (9) months after the end of their fiscal year or 30 (thirty) days after it has been accepted (Reviewed Financial Statement, Audited Financial Statement, and OMB A-133 Audit only) -whichever comes first.

The full DHCD Audit Policy, including an explanation of the specific document requirements, can be found online at:
http://www.dhcd.virginia.gov/images/DHCD/DHCD_Audit_Policy.pdf.

H. Compliance

Grantees with outstanding audit findings, IRS findings, DHCD monitoring findings or other compliance issues are not eligible to receive allocations. DHCD will work with all interested parties toward the resolution of unresolved matters, where appropriate.

I. Maintenance of Records

Records shall be readily accessible to DHCD, appropriate state and federal agencies, and the general public during the course of the grant agreement and shall remain intact and accessible for five years thereafter. The exception is in the event that any litigation claim or audit is started before expiration of the five year period, the records shall be retained until such action is resolved.

J. Costs Incurred Prior To Grant Agreement Execution

No costs incurred prior to the start of the contract period shall be eligible for reimbursement with grant funds, unless incurred costs are authorized in writing by DHCD.

K. State Not Liable

The Grantee shall hold harmless the Commonwealth of Virginia, DHCD, its agents and employees from any and all claims and demands based upon or arising out of any action by the Grantee, its employees, agents or contractors.

L. Expenditure Review

DHCD will monitor expenditure rates to ensure state resources are maximized. Failure to expend funds proportionately throughout the contract period may result in the de-obligation of funds. DHCD reserves the right to de-obligate funds at any time during the contract period and reallocate as deemed appropriate within the CoC/LPG or statewide based on compliance, performance, need, and available funding.

M. Termination, Suspension, Conditions

If through any cause, the Grantee fails to comply with the terms, conditions or requirements of the contract documents, DHCD may terminate or suspend this Agreement by giving written notice of the same and specifying the effective date of termination or suspension at least five (5) days prior to such action.

In the case of contract violation by the Grantee, DHCD may request that all or some of the grant funds be returned, even if the Grantee has already expended the funds. The Grantee agrees to return such funds as requested by DHCD within 30 days of the written request.

N. Subsequent Contracts

The Grantee shall remain fully obligated under the provisions of the Grant Agreement notwithstanding its designation of any subsequent or third parties for the undertaking of all or part of the activities for which the Grant assistance is being provided to the Grantee.

The Grantee agrees to ensure that any contractor or subcontractor who is not the Grantee shall comply with all the lawful requirements of the Grantee necessary to insure that the project for which this assistance is being provided under this Agreement are carried out in accordance with the Grantee's Assurances and Certifications.

O. Default

A default is any unapproved use of grant funds. Upon due notice to the Grantee of the occurrence of any such default and the provision of a reasonable opportunity to respond, DHCD may take one or more of the following actions:

- (1) direct the Grantee to submit progress schedules for completing approved activities;
- (2) issue a letter of warning advising the Grantee of the default, establishing a date by which corrective actions must be completed and putting the Grantee on notice that more serious actions will be taken if the default is not corrected or is repeated;
- (3) direct the Grantee to suspend, discontinue or not incur costs for the affected activity;
- (4) require the Grantee to reimburse DHCD for costs inappropriately charged to the program;

(5) other appropriate action including , but not limited to, any remedial action legally available, such as affirmative litigation seeking declaratory judgment, specific performance, damages, temporary or permanent injunctions and any other available remedies.

No delay or omissions by DHCD in exercising any right or remedy available to it under the Agreement shall impair any such right to remedy or constitute a waiver or acquiescence in any Grantee default.

P. Conflict of Interest

Grantees shall ensure that the provision of any type or amount of assistance may not be conditional on an individual's or family's acceptance or occupancy of housing owned by the grantee, the sub-grantee, a parent organization, or subsidiary. Grantees/sub-grantees, parent organizations, or subsidiaries may not administer rapid re-housing or prevention assistance and use the assistance for households residing in units owned by the grantee/sub-grantee, parent organization, or subsidiary.

Individuals (employees, agents, consultants, officers, or elected or appointed officials of the grantee or sub-grantee) may not both participate in decision-making related to determining eligibility and receive any financial benefit. This financial benefit may not be received by the specific individual, any member of his/her immediate family or a business interest. The restriction applies throughout tenure in the position and for a one-year period following tenure.

Q. Religious Influence

The Grantee shall perform activities and all financial and stabilization services in a manner that is free from religious influence.

III. Additional Assurances

- A. Grantee will give the Virginia Department of Housing and Community Development, the Comptroller, HUD and any other authorized state or federal representatives access to and the right to examine all records, books, papers, or documents related to the Grant.
- B. In accordance with federal law, grantee will provide that no person shall be discriminated against on the basis of race, color, religion, sex, or national origin, in any phases of employment or in any phase of service delivery.

IV. Additional Certifications:

The Grantee certifies that it will comply with the following:

- (a) Freedom of Information Act (5 U.S.C 552) and Virginia Freedom of Information Act;

(b) Virginia Fair Employment Contracting Act;

(c) Fair Housing Act (42 U.S.C. 3601-20), and implementing measures under:

- 24 CFR 100 (discriminatory conduct under Fair Housing Act);
- Executive Order 11063 and regulations at 24 CFR 107 (preventing discrimination on basis of race, color, creed, or national origin);
- 24 CFR Part 8 (prohibiting discrimination against handicapped individuals);
- Title VIII of Civil Rights Act of 1968 as amended (prohibiting discrimination based on race, color, national origin, religion, sex, familial status [including children under the age of 18 living with parents or legal custodians, pregnant women, and people securing custody of children under the age of 18], and disability)

(e) Age Discrimination Act of 1975 (42 U.S.C. 6101-07) and implementing regulations at:

- 24 CFR 146 (nondiscrimination on basis of age in HUD programs);
- Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794);

(f) 24 CFR 574.320 (Federal rent standards for rental assistance, requiring rents to be charged no greater than appropriate Fair Market Rent levels);

(g) 24 CFR Part 35 (Federal lead-based paint provisions, requiring visual inspections and stabilization of paint before commencement of occupancy);

(h) Adhere to Executive Orders 11625, 12432, and 12138, that Grantee must make efforts to encourage participation of minority and women-owned business enterprises in connection with funded activities;

- Encourage participation of locally-owned enterprises in connection with funded activities;

(i) McKinney-Vento Homeless Assistance Program Regulations;

(j) Anti-lobbying Certification;

(k) Drug Free Workplace.

If requested by DHCD:

1. A Grantee that is a unit of local government agrees to assume the status of a responsible Federal official under the National Environmental Policy Act (NEPA) of 1969 and other provisions of Federal law as specified at 24 CFR 58 and 58.5 and agrees to comply with these NEPA regulations.
2. All Grantees that are not units of local government agree to assist DHCD in carrying out 24 CFR 58 and 58.5.

The Agreement is hereby executed by the parties on the date set forth below their respective signatures as follows:

Virginia Department of Housing and Community Development

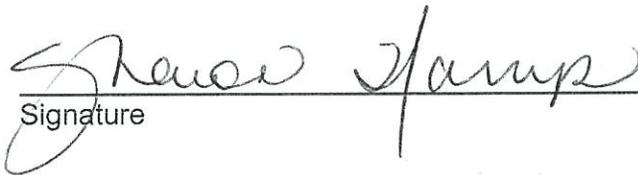


Chris Thompson, Deputy Director

August 18, 2014

Date

STEPS, Inc.



Signature

SHARON HARKUP

Name (printed or typed)

President + CEO

Title

8.28.14

Date



225 Industrial Park Road • Farmville, VA 23901 • 434.315.5909 • Fax: 434.315.0246
www.STEPS-inc.org

FOR IMMEDIATE RELEASE

If you have questions, please call Sharon Harrup, STEPS President & CEO at (434) 315-5909.

March 31, 2014

STEPS, Inc., a local not for profit, is pleased to announce its partnership agreement with Dominion Virginia Power to meet the heating and cooling needs of eligible residents in the counties of Amelia, Buckingham, Cumberland, Lunenburg, Nottoway and Prince Edward through the Dominion EnergyShare Program.

Dominion's EnergyShare Program has provided heating and cooling assistance to more than 650,000 people over the past 32 years.

It is a program of last resort for anyone in need of heating or cooling assistance, regardless of income level.

This year-round program provides funding for qualifying individuals to pay for the primary source of heating and cooling, whether it is by oil, wood, kerosene, gas or electric. EnergyShare is funded through the generous contributions of Dominion, its employees, customers, and business partners.

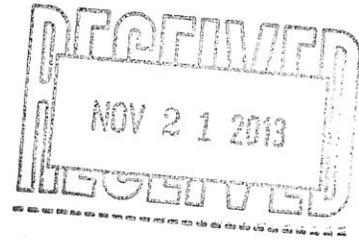
Household income doesn't always tell the whole story. Many other factors can contribute to financial hardship. That's why STEPS will review requests for energy assistance on a case-by-case basis.

After applying in person, STEPS should be able to confirm eligibility within a day or two and pay bills directly to vendor based on the availability of funds.

To see if you qualify for EnergyShare, please call STEPS toll free (855) 955-5501.



November 20, 2013



Sharon L. Harrup, President & CEO
STEPS, Inc.
225 Industrial Park Road
Farmville, VA 23901

Dear Sharon,

Congratulations STEPS, Inc. has been approved for the VHDA REACH Capacity Building Grant for \$60,000 for a three year funding cycle. We are looking forward to our new partnership with your organization. The housing services and resources that you will be provided will fill a much needed gap in your community and surrounding areas.

Please review the enclosed planning grant agreement and execute both copies. Keep one copy for your records and return the other copy to me.

Let us schedule a time for us to meet via conference call to review the planning grant agreement together.

Sincerely,

Monica Jefferson
Community Housing Officer
REACH Capacity Building Grant Administrator

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
DEPARTMENT OF COMMUNITY HOUSING
CAPACITY BUILDING GRANT AGREEMENT

This Agreement entered into by and between the Virginia Housing Development Authority hereinafter referred to as "VHDA" and **STEPS, Incorporated** hereinafter referred to as "Grantee".

WHEREAS, VHDA administers and distributes Capacity Building Grant funds in order to develop, operate and preserve affordable housing opportunities for extremely low income households as well as housing with services; and

WHEREAS, VHDA wishes to enhance the delivery of safe and affordable housing in the Southside, VA area through the Capacity Building Grant Program; and

WHEREAS, the PROJECT as described in the CAPACITY BUILDING GRANT APPLICATION PACKAGE submitted by the GRANTEE and made part of this GRANT AGREEMENT has been selected by the review committee for funding.

The parties hereto agree to the terms and conditions as follows:

1. VHDA agrees to award the GRANTEE a Capacity Building Grant to carry out the OBJECTIVES included in the WORK PLAN herein described not to exceed \$60,000.00 over a span of three years. Grant funding will be distributed in the following manner: Year 1, not to exceed \$30,000. Subsequent year's funding is contingent upon the successful completion of agreed upon activities, with funding not to exceed \$20,000 in Year 2 and \$10,000 in Year 3.
2. VHDA agrees to provide the GRANTEE with technical assistance in setting up and carrying out the administration of its PROJECT.
3. The GRANTEE will commence, carry out and complete the following goals thoroughly outlined in the GRANTEE'S PROJECT PROPOSAL.

PROJECT TITLE: STEPS: Increasing and Strengthening Capacity to Meet Community Needs

OUTCOMES: To build upon the opportunity to ready ourselves for the response with the strengthening of our administrative and delivery framework of services in our community.

- OBJECTIVE(S):
- Realign our Purpose, Mission and Vision to reflect our current and future focus.
- Update and streamline information and tracking systems to meet the needs of diverse funders and output Data that shows our impact.
- Reorganize staffing capacity to a more function-based model, creating greater efficiencies and effectiveness.
- Increase the levels of community, individuals and funder awareness of our work and local giving to STEPS.

4. The GRANTEE will use the lesser of (1) the grant amounts specified above, or (2) APPLICATION PACKAGE Budget Request, or (3) if, at total PROJECT completion, there are project savings, these costs shall revert to the VHDA.

5. The GRANTEE will initiate the OBJECTIVES outlined in the PROJECT PROPOSAL and WORK PLAN beginning no later than **December 31, 2013.**
6. The GRANTEE shall complete the work as described in the WORK PLAN on or before **December 31, 2016.** Yearly renewal of the Capacity Building Grant funding will be awarded based on the progress report and follow up phone interview. A Final Grant Report and Survey must be submitted within 30 days of PROJECT completion.
7. *The GRANTEE agrees to participate in VHDA-led efforts to ensure that affordable housing organizations operating in the Southside, VA area are sustainable and deliver housing in as an efficient and effective manner as possible.*
8. VHDA agrees to make payment to the GRANTEE upon receipt of properly executed progress reports, appropriate documentation of expenditures, and other documentation as required. The GRANTEE should allow at least 30 days to receive the requested payment. In no case shall the total amount of payments exceed the total amount of this AGREEMENT. Final payment to the GRANTEE and recovery of excess funds, if any, shall occur simultaneously with grant closeout and receipt of a Final Grant Report and Survey.
9. Upon execution of the agreement, the GRANTEE shall be eligible to submit an advance request not to exceed \$5,000. All advance funds should be documented through eligible expenses before additional funds are reimbursed.
10. Nothing in this Agreement gives, is intended to give, or shall be construed to give or provide any benefit or right, whether directly, indirectly or otherwise, to third persons unless identified by name.
11. The following documents which are a part of this AGREEMENT and are incorporated by reference herein as if set out in full: CAPACITY BUILDING GRANT APPLICATION PACKAGE, PROJECT PROPOSAL, WORK PLAN, and PROGRESS REPORTS.

In witness whereof, the parties hereto have executed or caused to be executed by their duly authorized official this AGREEMENT in duplicate, each copy of which will be deemed an original.

VIRGINIA HOUSING DEVELOPMENT AUTHORITY

DATE: 11/20/13

BY: Elizabeth Smard
Its: Authorized Officer

Accepted this 21 day of November

STEPS, Inc.
BY: Sharon L. Murray
Title: CEO + President



This agreement is between the Commonwealth of Virginia Department for Aging and Rehabilitative Services (DARS) and the organization identified below.		
ORGANIZATION NAME: STEPS, Inc		
DARS ASSIGNED VENDOR NUMBER: 004433	ORGANIZATION doing business as (DBA)	
ORGANIZATION ADDRESS: 235 Industrial Park Rd Farmville	ORGANIZATION Federal ID#: 54-1209110	
ORGANIZATION CONTACT NAME: Sharon Harrup	CONTACT E-MAIL ADDRESS: sharrup@steps-inc.org	
CONTACT TELEPHONE 434-315-5909	CONTACT FAX 434-315-0246	
DARS CONTACT NAME AND TITLE: Donna Bonessi, Employment Support Specialist	DARS CONTACT ADDRESS: 8004 Franklin Farms Dr. Richmond VA, 23229	
DARS CONTACT TELEPHONE: (804) 662-7177	DARS CONTACT FAX: (804) 662-9140	DARS CONTACT E-MAIL ADDRESS: Donna.bonessi@dars.virginia.gov
AGREEMENT START DATE: July 1, 2013	AGREEMENT END DATE: June 30, 2016	AGREEMENT MAXIMUM AMOUNT: Fee For Service
Appendices - The following appendices are attached and are incorporated into this agreement by reference: <input type="checkbox"/> Appendix A - Vendor Rate Sheet, <input checked="" type="checkbox"/> Appendix B - Provision of Short-Term Training Programs <input checked="" type="checkbox"/> Appendix C - Provision of Extended Employment Services <input checked="" type="checkbox"/> Appendix D - Guidelines for Provision of Supported Employment Services and Job Coach Training Services <input checked="" type="checkbox"/> Appendix E - Provision of Long-Term Employment Support Services <input checked="" type="checkbox"/> Appendix G - Information Technology Security Requirements <input checked="" type="checkbox"/> Appendix H -- CARF Accreditation Requirements		
VENDOR AUTHORIZED SIGNATURE: 	PRINTED NAME AND TITLE: SHARON HARRUP, CEO	DATE SIGNED: 6/3/13
DARS AUTHORIZED SIGNATURE: 	PRINTED NAME AND TITLE: EF STODIE, CEO	DATE SIGNED: 6/27/13



I. **THIS AGREEMENT**, mutually agreed upon (1) defines the conditions and guidelines as described in Appendix B, C, D, E, G and H under which the Vendor will provide rehabilitation/employment services to disabled individuals (hereinafter "Consumers") who have been approved for such services and (2) identifies the rates of payment governing the Department's reimbursement obligations as stipulated on the included rate sheet. The statutory basis for this agreement is the Rehabilitation Act of 1973, as amended, and the Code of Virginia, Section 51.5-18.

II. **THIS AGREEMENT** is in effect for a period of three years from the start date on page one, and may be terminated, in whole or in part, by either party giving 30 days notice in writing to the other party.

In the event of breach by the Vendor of this agreement, the Department shall have the right to immediately rescind, revoke or terminate the agreement, or in the alternative, give written notice to the Vendor specifying the manner in which the Agreement has been breached and the manner in which the breach may be corrected.

III. **THIS AGREEMENT** shall consist of the signed agreement and any Appendices that describe the established fees and guidelines for each vended service, all of which are incorporated herein.

IV. To carry out this agreement the following terms are agreed to:

a. **THE VENDOR AGREES:**

1. To have on file with the DARS state office a current written curriculum or program manual that clearly describes each distinct service vended to the Department and to update and resubmit such manuals annually or as appropriate to reflect modification or expansion in the array of services provided.
2. To include in the Vendor's rehabilitation program the opportunity for a planned sequence of instruction, training, or activities under competent supervision designed to fulfill the immediate objectives of the individualized written rehabilitation program.
3. To notify the Department of any significant or anticipated changes in the nature or quality of programming that will affect the purchase and negotiated cost of any service vended to the Department and its Consumers.
4. To be in initial and continuing compliance with all appropriate federal, state, and local laws, regulations, and ordinances applicable to the Vendor's operation, staffing, physical facilities, and activities (e.g., the 1973 Rehabilitation Act as amended, the Civil Rights Act of 1964, the Virginians with Disabilities Act, the Americans with Disabilities Act, the Fair Labor Standards Act, Immigration Reform and Control Act of 1986 and the Architectural Barriers Act of 1968) or to have an acceptable plan for such compliance.
5. To possess and maintain appropriate individual and/or group exemption certification issued by the Wage and Hour Division of the U.S. Department of Labor when the Vendor employs or arranges for the employment of disabled individuals in productive work for which less than the federal statutory minimum wage will be paid.
6. To maintain confidentiality as to personal data related to the Consumer and not to disclose such confidential information without prior, written approval from the Consumer or legal guardian except as may otherwise be authorized or required by law or applicable regulations.

7. To comply with applicable federal and state regulations and Departmental policy governing the fiscal administration of the vocational rehabilitation program and services purchased under that program including, but not limited to:
 - i. Complying with OMB Circular A-122 for non-profit organizations except for the allowability of interest costs as described in the Department's Purchase of Service Vendor Application Package;
 - ii. Invoicing the Department only for services actually delivered;
 - iii. Billing the Department by itemizing all services rendered;
 - iv. Presenting no bill to or accepting any payment from the Consumer, the Consumer's family, or any other third party unless the amount of such charges and payments is previously known to and approved by the Department;
 - v. Not charging the Department and/or accepting any more payment than the agreed upon contracted service rates as stipulated in Appendix A, attached;
 - vi. Charging the Department no more than any other purchasers of the same service as specified in Appendix A, attached;
 - vii. Providing the Department with a copy of the Vendors annual financial audit report as follows;
 1. For Profit Vendors and Not for Profit Vendors receiving less than \$500,000 in federal funds will submit to DARS a copy of the current annual audit report that complies with Generally Accepted Auditing Standards (GAAS). The audit report shall include reports on the financial statements, compliance with laws and regulations, and internal controls, and is due no later than December 31st of each year.
 2. For Profit Vendors and Not for Profit Vendors receiving more than \$500,000 in federal funds will submit to DARS a copy of the current annual audit report and opinion letter covering the Vendors fiscal year ending during the award period stated in this document. This audit will comply with requirements stated in the Office of Management and Budget (OMB) Circular A-133 (effective March, 2007) and is due no later than December 31st of each year.
8. To maintain such accounts, records, and supporting documents as will serve to permit an accurate and expeditious determination to be made at any time of the disposition of all moneys received under this agreement and the nature and amount of all charges against the Department.
9. To retain all books, records and other documents relevant to the disposition of funds under this agreement for five (5) years after final payment or until audited by the Commonwealth of Virginia, whichever is sooner.
10. To provide access on demand by the Department, its authorized agents, and/or State and/or Federal auditors to any books, documents, papers, or other records of the Vendor, including individual Consumer records, relating to the expenditure of all funds and services rendered during the term of this agreement in order to make audit examinations, excerpts, and transcripts.
11. To maintain adequate insurance and to have, as a minimum, the following insurance coverage during the entire term of the agreement:

Workers' Compensation -- Standard Virginia Workers'
Compensation Policy.

Comprehensive General Liability -- \$500,000 -- Combines Single Limit Coverage to
include:

Premises -- Operations;
Products/Completed Operations;
Contractual; Independent Contractors; Owners and Contractors Protective;
Personal Injury (Libel, Slander, Defamation of Character, etc.)
Automobile Liability -- \$500,000 -- Combined Single Limit

During the period of the agreement the Commonwealth reserves the right to require the Vendor to furnish certificates of insurance and/or copies of insurance policies. The Vendor certifies that all insurance coverage will be provided by insurance companies which have been authorized to sell insurance in Virginia by the Virginia State Corporation Commission.

12. To represent and certify that neither the vendor nor its principals is presently disbarred, suspended, proposed for disbarment, declared ineligible or voluntarily excluded from participation in this transaction by any Federal department or agency.
13. To provide DARS with waiting list and utilization data on forms to be provided or other such information that the Department may reasonably require concerning the Vendor's rehabilitation programs.
14. To be in compliance with CARF Standards for services provided under this vendor agreement and maintain ongoing CARF accreditation in categories specified in Appendix H; CARF Requirements.
15. To submit CARF survey report to DARS if organization receives less than a three year accreditation.
16. To be in compliance will all regulations specified in Appendix G "Contractors Information Technology Security Requirements"

b. THE DEPARTMENT AGREES:

1. To provide the Vendor with a written authorization or purchase order for specific services for a specified time period for each individual Consumer or groups of disabled persons referred.
2. To reimburse the Vendor for authorized service rendered as stipulated in Appendix A; Fee Schedule of this Agreement. All reimbursements shall be based on the assumption that necessary funds will be made available through the appropriate state and federal authorities.
3. To provide the Vendor, subject to applicable legal requirements, with information necessary to provide rehabilitation services to Consumers including the following minimum current information:
 - a. Medical report



- b. Psychological report, when available
 - c. Statement of disability
 - d. Individual Employment Plan
4. To conduct reviews as needed and to provide the Vendor with a summary report as to Vendor compliance, effectiveness, and/or any program deficiencies noted with recommendations for improvement.
5. Upon receipt of a complaint from a Consumer or concerning a Consumer involving services the Vendor provides, the Department may investigate the complaints at all reasonable times with twenty-four hours notice.

C. THE VENDOR AND THE DEPARTMENT MUTUALLY AGREE:

To negotiate an annual Vendor Services Agreement encompassing the following shared activities:

- a. Yearly update of the projection of need for each vended service including the identification of unserved and underserved populations;
- b. Yearly review of utilization and identification of significant differences between projected and actual levels;
- c. Establishment of a fee schedule for each vended service based on an updated budget submitted on the Purchase of Service Application or other acceptable system approved by the Department. A vendor may choose to extend previously established and approved rates for a maximum of 12 months.

This Agreement may be amended only with the express written consent of the Vendor and the Department, as attested by the signatures below.

Vendor:

Signature:

Printed Name:

Title:

STEPS, INC.
Sharon Harkup
SHARON HARKUP Date 6/3/13
CEO

Purchasing Agency:

Signature:

Printed Name:

Title:

VA Department For Aging and of Rehabilitative Services
Bonnie Steidle
Bonnie Steidle Date 6/29/13
Chief Operating Officer

Department For Aging and Rehabilitative Services
 Division of Rehabilitative Services
 Employment Service Organization
 Proposed Service Rates Fiscal Year 2015



Name of Organization: STEPS Inc
 Address: 225 Industrial Park Rd, Farmville, VA 23901
 Executive Director: Sharon L. Hornup
 Vendor Number: 004433
 Phone Number: 434-315-5909
 Primary Contact: Sharon Hornup

Service Description	Rate Structure	Time Limited Service Item Code	LTPA Service Item Code	Fiscal Year 2014 Rate	2014 Average Statewide Rate	2014 Central Region Average Rate	Proposed Rate Fiscal year 2015
Situational Assessment - Individual	Hourly	A6320		\$57.05	\$60.70	\$58.85	61.26
Situational Assessment - Group	Daily	A6324		\$51.13	\$54.42	\$54.24	54.42
Situational Assessment - Group	Hourly	A6321		N/A	\$61.02	\$62.24	N/A
Comprehensive Vocational Evaluation	Flat	A6300		N/A	\$600.00	\$600.00	N/A
Work Adjustment Training	Daily	A5400		\$49.47	\$52.79	\$50.85	52.79
Job Seeking Skills Training	Daily	A5410		N/A	N/A	N/A	N/A
Skills Training	Daily	A3303		N/A	N/A	N/A	N/A
Supported Employment (SE) Job Development	Hourly	A5101		\$57.05	\$61.10	\$59.34	61.26
SE Individual Placement and Training	Hourly	A5103	E5129	\$57.05	\$61.12	\$59.41	61.26
SE Community Group Placement and Training	Daily	A5107	E5107	N/A	\$60.99	\$53.26	N/A
Job Coach Training Services (JCTS) Job Development	Hourly	A5132		\$57.05	\$61.26	\$59.34	61.26
JCTS Individual Placement and Training	Hourly	A5134		\$57.05	\$61.26	\$59.34	61.26
LTPA - Offsite Employment	Daily		E1000	\$27.16	N/A	N/A	27.16
LTPA - Onsite Employment	Daily		E1100	\$27.16	N/A	N/A	27.16
Transportation RT (Round Trip)	Round Trip	A6018	E6018	\$24.63	\$22.31	\$19.47	24.63
Transportation OW (One Way)	Per Trip	A6019	E6019	N/A	\$10.46	\$10.03	N/A

Signature of Authorized representative: Sharon L. Hornup
 Title: Provider/CED
 Date: 6/29/14

Total Action tap For Progress into hope

Total Action for Progress (TAP) Weatherization Proposal

TAP – Weatherization will assist STEPS to establish their own program to serve local clients. It is important that a local agency can serve its local population through all different services. A one stop shopping approach best serves the community. Services can easily be bundled for greater effect.

Weatherization Timeline

- Hire an intake person. This position could be hired immediately to promote the program and process applications. This person may also function as a processor for invoices, reporting, TAP would assist in the training of this person. The training would include financial management, reports, Hancock System training.
- Budgets would be prepared. Amount of staff required based upon funding and required job completions would be determined. Program wide study would be done to see if other programs and utilize staff to supplement the staff. Skills could be utilized in emergency home repair programs, construction related projects, plumbing programs, etc.
- TAP would initially provide energy audits. This position is the one that would require the most time to train. TAP currently has an applicant located in the area that may consider this position. Barring hiring a local auditor, TAP has two auditors on staff and one under subcontract that could fill in the duties until such time as someone be hired or trained. The training could require a year's worth of classes and on the job experience.
- Purchase, lease equipment, vehicles to set up a weatherization crew. Provide space, security for warehouse storage. Establish computer network, communications for operation. Establish accounts with suppliers. Much of this would be done under TAPs set up and supervision.
- TAP would be paid as normal job completion. Indirect, audit, insurance, t&ta would be proportioned to the work accomplished.
- Crew leader would travel and work with local crew workers. Training would be the first activity. As the crew workers and potential crew leader are qualified then work would be released and inspections would be done to verify quality and completeness of the work. It is conceivable that the mentoring process could be accomplished in one year with further consultation to occur on an as needed basis for the following year.
- Final inspection would be performed by TAP personnel.
- TAP will perform all reporting and monitoring functions in conjunction with STEPS staff.
- All training and transfer of duties will be coordinated with STEPS and responsibilities transferred after demonstration of proficiency in the tasks.

MEMORANDUM OF AGREEMENT

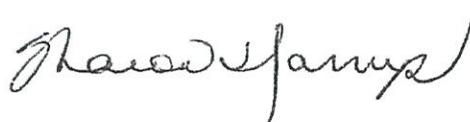
7/28/14

This constitutes a memorandum of agreement between Total Action for Progress based in the Roanoke Valley of Virginia and STEPS whose headquarters is located in the town of Farmville, Virginia with the respect to the operation of the Weatherization Program within the counties served by the STEPS organization and the transfer of skills and infrastructure within a two year period that will enable the STEPS organization to operate the program as a contractor under the Virginia Department of Housing and Community Development.

It is the intention of the TAP organization to assist the STEPS organization in developing the infrastructure and skills to operate the Weatherization Program at the completion of a two year contract with the Department of Housing and Community Development in which TAP operates the program. TAP will assist the STEPS organization in all of the areas required for a successful transition to an independent operation of the weatherization program.



Ted Edlich, TAP President



Sharon Harrup, STEPS CEO

Proposed Memorandum of Agreement

between

Total Action Against Poverty

302 2nd Street, Roanoke, Virginia, 24011

and

STEPS, Incorporated

225 Industrial Park Road, Farmville, Virginia 23901

For the funding of Weatherization Measures

Purpose:

This Memorandum of Agreement summarizes the agreed responsibilities of **Total Action Against Poverty (TAP)**, and **STEPS Incorporated**. Collaboration between the agencies will result in the ability to reach more homes to provide them with weatherization on their homes. The agreement to function as means to operate the weatherization program jointly until such time as STEPS becomes fully qualified to fulfill the requirements placed upon it by contract with DHCD. Performance of activities outlined in this agreement is contingent on project funding and eligibility.

STEPS Incorporated:

- Provide applications for services.
- Provide documentation of qualification for clients to be served.
- Provide staff time for the preparation of bid documents, bid requests, bid opening and award contract to selected qualified bidder.
- Provide project supervision of proposed work, including inspection of work when completed.
- Receive invoices from any subcontractors performing work for the weatherization program. Forward the invoice to TAP for inclusion in the monthly Hancock billing.
- Advertise for personnel to fill the positions required to perform the weatherization. Coordinate a training schedule.
- Maintain the records and eligibility documentation.
- Fill project specific reports.
- Coordinate with TAP regarding potential clients as soon as the need is identified.

TAP will:

- Assist in qualifying applicants for the WX program by providing guidelines, forms and review assistance as necessary for compliance WAP and DHCD regulations.
- Coordinate the entering of information into the Hancock System. Work in conjunction with the STEPS designated agent to accomplish invoice of monthly production and reports as required...
- Provide final inspection of completed projects until such time as the STEPS agency has a qualified auditor/ inspector able to perform the task.
- Copy eligibility documents for the applicant and maintain client files for final review and audit.

- Negotiate with DHCD as needed for program modifications. Negotiations to include designated representative from STEPS.
- Keep STEPS informed of money available for their projects.

Authorization and Agreement:

We, the undersigned, agree to this Memorandum of Agreement for provision of the services indicated above.

(signature)

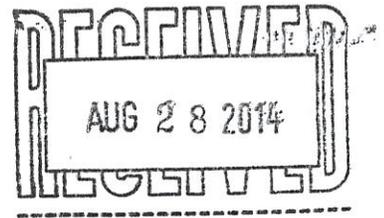
(signature)

(agency)

(agency)

(date)

(date)



VIEW WORK SITE AGREEMENT (CWEP or PSP)

Prince Edward County Department of Social Services (hereafter referred to as the Agency) and
STEPS, Inc. (hereafter referred to as the Work Site) enter into this agreement in good
faith to provide work experience and/or training to participants of the Virginia Initiative for Employment not Welfare
Program (VIEW).

THE AGENCY AGREES AS FOLLOWS:

1. To refer appropriate participants to the Work Site for consideration.
2. To provide a detailed explanation of VIEW and the necessary paperwork for reporting requirements.
3. To provide necessary services to enable the participant to participate in VIEW.

THE WORK SITE AGREES AS FOLLOWS:

1. To provide work experience and/or training for participants chosen by the Work Site.
2. To not use participants to displace current employees or to fill vacant established positions or perform tasks that would have the effect of reducing regular employee's work hours.
3. To not use participants to perform political, electoral or partisan activities or in response to any strike, lock-out or other bona fide labor dispute.
4. To provide reasonable working conditions which do not violate federal, state or local health or safety standards.
5. To provide competent supervision to participants.
6. To prepare evaluation and time sheets for each participant and submit this information to the Agency by the fifth working day of each month during the designated training period.
7. To furnish necessary materials to allow participants to perform assigned task.

This agreement will be in effect from 8-26-14 to 8-26-15
Cynthia A. Saunders 8-26-14
Authorized Signature (organization) Date
Renee P. Morris 8-26-14
Agency Representative Date

South Central Workforce Investment Board
Memorandum of Understanding for Business Services
For PY 2013 - 2016

In accordance with Section 121 (c) of the Workforce Investment Act (WIA) of 1998, this Memorandum of Understanding (MOU) has been developed, with the agreement of the Chief Local Elected Officials (CLEOs) of the South Central Workforce Investment Area (SCWIA), and entered into between the South Central Workforce Investment Board (SCWIB) and the partners in SCWIA #8, which intend to work together with respect to the operation of this *WORKforce* Area for Business Services.

I. PURPOSE OF THIS MOU:

The purpose of this MOU is to establish an integrated framework in which the South Central Workforce Investment Board (SCWIB) and its partners provide business services based on business demand as outlined in the local strategic plan, Virginia Workforce Council Policy #13-01, Virginia Workforce Letter #11-04 and the Workforce Investment Act and Wagner-Peyser Integrated State Plan.

II. VISION/MISSION OF THE SOUTH CENTRAL *WORKFORCE* INVESTMENT SYSTEM:

The vision for the SCWIB is to have and promote a well trained, well educated, highly skilled and qualified workforce that is actively engaged in lifelong learning and fulfills the needs of local employers. This workforce will be critical to the attraction and retention of successful business and industry in the area and will help ensure a desirable quality of life. Through its demands for high performance, flexibility and customer satisfaction, the new workforce development system will ensure that employers, educators, job seekers and workers coalesce to promote economic development throughout Southside Virginia.

Our goal is to implement a seamless system of service delivery that enhances access to services for our customers. In addition, the LWIA seeks to improve long-term employment outcomes for both jobseekers and employers receiving assistance. The objective of each partner is to provide these services in the most efficient manner possible. The partners also intend to meet and exceed all performance measures established by the SCWIB, the Virginia *WORKforce* Council and the United States Department of Labor.

III. ROLES AND RESPONSIBILITIES OF VIRGINIA WORKFORCE CENTER PARTNERS IN PROVIDING BUSINESS SERVICES:

The partners of the Virginia Workforce Centers located in Area 8 agree to the following:

- 1) Provide services to businesses that add value to the business, jobseeker and community
- 2) Provide integrated and effective services to businesses that are coherent and easily accessible.

- 3) Continued focus on a universal branding of business services that deliver a universal message with standardized services.
- 4) Partner in creative ways through interagency collaboration, partnership development and leveraging of resources to provide coordinated and streamlined business services that prevents duplication of services.
- 5) Build relationships with businesses and business-focused organizations such as economic development, chambers of commerce, small business administration, etc.
- 6) Establish a single point of contact for businesses when working with the local workforce system.
- 7) Act as an informational resource to businesses to provide labor market intelligence, information on the Americans with Disabilities Act, workplace accommodations for persons with disabilities, business start-up, retention and expansion services, customized training programs, career preparation activities, tax credits and federal bonding.
- 8) Assist businesses in the recruiting process.
- 9) Assist businesses with addressing training needs including on the job training, inventory of education and training vendors, incumbent and/or customized training and layoff aversion/business retention project applications.
- 10) Provide quality individualized services to businesses through regular communication, knowledge of the industries served, knowledge of industry norms and practices, facilitation of relationships in a business-like fashion that is flexible, accommodating and responsive within 24 hours of contact.
- 11) Provide alternative options in responding to business requests if the Center cannot provide an affirmative response to the business customer's initial request.
- 12) Provide data related to business services as requested by the SCWIB, partners, state or Department of Labor.
- 13) Designate at least one staff person to serve on the Business Services Team at the Center and participate in the development of the Communications Plan.

IV. BREACH OF MOU:

The following activities may constitute a breach of the MOU:

- A. Failure to cooperate with the local *WORKforce* Center or any other agent of the SCWIB with regard to the staffing or operations of the local *WORKforce* Center Business Services Team.

V. MISCELLANEOUS PROVISIONS:

A. The Virginia *WORKforce* Connection (VWC)

The VWC is the computerized system of record keeping that will include a common data repository for Workforce Investment Act activities. All

partners agree to enter all client profiles (job and training seekers), job openings and employer information it receives into the VWC. All partners also agree to treat all data contained in the VWC as confidential. No partner should permit access of Commonwealth-provided computer resources to, or disclose data to, any persons or entities other than its staff or data users, under any conditions.

B. Mutual Respect of Organizational Practices

All partners agree to respect each other's organizational practices and management structures in the provision of services under this agreement.

B. Indemnification and Liability

By executing this MOU, each entity agrees to work together to deliver business services for employers. However, the entities are not legally "partners" to the extent that term encompasses joint and several liability. Each legal entity under this MOU is responsible for its own employees, representatives, agents, and subcontractors.

VI. IMPASSE RESOLUTIONS:

In the event that an impasse should arise between the partners and/or the SCWIB regarding the terms and conditions, the performance, or administration of this MOU, the following procedure must be initiated:

A. The SCWIB and the partners must document the negotiations and efforts that have taken place to resolve the issue

B. The SCWIB Chairperson must meet with the CLEOs and/or the partners and/or the *WORKforce* operator to resolve the issue. If an agreement cannot be reached, the Workforce Services Division of the Virginia Community College System will provide assistance in resolving the issue.

VII. MODIFICATION PROCESS:

Partners may request, in writing, an amendment to the MOU through the SCWIB. The SCWIB may amend the MOU whenever the Board determines it is appropriate or necessary. In order for any modifications to this MOU to be valid, the changes must be documented in writing, signed and dated under the conditions agreed upon by ALL of the partners, and attached to the original MOU. If any provision of the MOU is held invalid, the remainder of the MOU must not be affected.

XIII. DURATION OF THE MOU:

This MOU is entered into this 01 day of February 2014. This MOU will become effective and will terminate on January 30, 2017 unless terminated earlier by any of the partners to the agreement. The MOU may be terminated by

any of the partners upon 30 days written notice to the other partners with cause or upon 90 days written notice to the other partners without cause.

IX. EQUAL OPPORTUNITY AND NONDISCRIMINATION OBLIGATIONS:

Nondiscrimination Clause:

- A.** The partners to this MOU agree that they will not discriminate in their employment practices or services on the basis of gender, age, race, color, creed, religion, national origin, disability or veteran's status, or on the basis of any other classification protected under state or federal law. The partners to this MOU certify that they are equal opportunity employers, have policies and procedures in place to address these issues, and that such policies and procedures have been given to all employees and posted, as required by law. The partners to this MOU further certify that they are currently in compliance with all applicable state and federal laws and regulations regarding these issues.
- B.** The partners to this MOU assure that they will comply with the nondiscrimination and equal opportunity provisions of Section 188 of the Workforce Investment Act of 1998 and its implementing regulation at 29 CFR Part 37. These regulations prohibit discrimination because of race, color, religions, sex, national origin, age, disability, or political affiliation in both participation and employment. In the case of participants only, it prohibits discrimination based on citizenship or his or her participation in any WIA Title I financially-assisted program or activity.
- C.** The partners to this MOU must comply with all State and Federal laws prohibiting discrimination in employment practices and services. In the event of any party's noncompliance with the nondiscrimination clause or with any such laws, as determined by an administrative agency of the state or federal government or a court of competent jurisdiction, this MOU may be terminated or suspended by the SCWIB, and other sanctions may be imposed and remedies invoked.
- D.** The partners to this MOU must, upon the request of the SCWIB or the Commonwealth, furnish all necessary employment documents and records to the SCWIB or the Commonwealth for purposes of investigation to ascertain compliance with the provisions of this clause. In addition, all partners must permit access to its books, records, and accounts if necessary. If the partners to this MOU do not possess documents or records reflecting the necessary information requested, the parties must furnish such information on reporting forms supplied by the SCWIB or Commonwealth.
- E.** The partners to this MOU will assure that complaints alleging discrimination on any of the above bases will be processed in accordance with 29 CFR Part 37.76. Copies of the complaint procedures developed pursuant to 29 CFR Part 37.76 and approved by the U.S. Department of Labor's Civil Rights Centers will be disseminated to provide detailed instructions on the specific steps to be followed in processing discrimination complaints and the name and telephone

number TTY/TTD of the designated EO Officer or designee to handle these complaints in the local *WORKforce* centers.

F. Pursuant to Federal regulations promulgated under the authority of the Americans With Disabilities Act, including but not limited to 28 CFR Part 35, the partners to this MOU understand and agree that no individual with a disability must, on the basis of the disability, be excluded from participation in this MOU or from activities provided for under this MOU.

G. The partners must be responsible for, and agree to indemnify and hold harmless, the Commonwealth of Virginia from all losses, damages, expenses, claims, demands, suits and actions brought by any party against the Commonwealth of Virginia as a result of a party's failure to comply with the provisions of paragraph "F" above.

X. SIGNATURES:

SOUTH CENTRAL CHIEF LOCAL ELECTED OFFICIALS CHAIR (CLEOs):

	<i>Chairman</i>	<i>CHLO</i>	<i>2/26/14</i>
Signature	Title	Agency	Date

SOUTH CENTRAL WORKFORCE INVESTMENT BOARD CHAIR (SCWIB):

<i>Valerie Deamon</i>	<i>Chair</i>	<i>SCWIB 8</i>	<i>2/3/14</i>
Signature	Title	Agency	Date

MOU PARTNER AGENCY DIRECTOR:

	<i>Vice President</i>	<i>STEPS, Inc</i>	<i>1/30/14</i>
Signature	Title	Agency	Date

FIRST AMENDMENT TO DEED OF LEASE

This FIRST AMENDMENT TO DEED OF LEASE ("this Amendment"), dated March 11, 2011, is made by and between SOUTHSIDE TRAINING, EMPLOYMENT AND PLACEMENT SERVICES, INC., dba STEPS, INC. ("Landlord") and COMMONWEALTH OF VIRGINIA, DEPARTMENT OF GENERAL SERVICES ("Tenant"), amending that certain Deed of Lease dated April 1, 2006, (the "Lease").

WITNESSETH

WHEREAS, by the terms of the Lease, Landlord leased to Tenant approximately 2,016 rentable square feet of office space and 585 rentable square feet of storage space, including 9 non-exclusive parking spaces located in Suite A at 225 Industrial Park Road, Farmville, Virginia 23901, as more particularly described in the Lease; and

WHEREAS, the current termination date of the Lease is August 31, 2011; and

WHEREAS, the parties hereto desire to amend the Lease as hereinafter set forth.

NOW, THEREFORE, it is agreed that the Lease be amended as follows:

1. EXECUTION OF OPTION. Tenant hereby executes the term extension option as provided in Section 16(a) of the lease and Landlord hereby acknowledges that the option as executed with all the terms and conditions of the Lease except as modified herein.
2. REVISION TO RIDER #1. Rider #1 of the Lease is amended by deleting the requirement that Landlord shall paint all the interior walls of the Premises at the commencement of year 6 of the Lease, and in lieu thereof Landlord agrees to pressure/power wash the exterior of the Building no later than November 1, 2011.
3. ROLE OF DEPARTMENT OF GENERAL SERVICES. The Department of General Services, through its Division of Real Estate Services, is responsible for the leasing of space for the use of agencies of the Commonwealth of Virginia. The Department of General Services, as Tenant herein, does not contemplate that it will occupy the demised premises itself, but rather that the demised premises will be used by one or more agencies of the Commonwealth of Virginia as designated by Tenant (herein, "Occupant" or, collectively, "Occupants"), and that such designation may change over the Term thereto. No such designation shall be deemed a subletting or assignment of this Lease and Tenant shall remain Tenant hereunder. Landlord acknowledges that no such designation or occupancy creates any contractual relationship between Landlord and an Occupant. Occupant shall have the benefit of any rights of Tenant associated with this Lease. Each Occupant, with respect to its space, is authorized to deal directly with Landlord concerning routine maintenance and repairs, building access, entry of Landlord onto its demised premises and similar matters; provided, however, that nothing herein prevents Tenant from dealing directly with Landlord as to any such matters. Landlord shall deal solely with Tenant as to major repairs, insurance, untenability, breaches or defaults, termination, extensions of the term, and additional

charges imposed by Landlord (as may be authorized by this Lease or subsequent agreement of the parties). The original Occupant, the Department for the Blind and Vision Impaired, remains in possession of the Premises.

4. Section 12 (a) through (e) of the lease is deleted and replaced with the following:

DISCLOSURES; NON-WAIVER; APPROPRIATIONS.

- (a) Sovereign Immunity. Landlord understands and acknowledges that Tenant and Occupants are agencies of the Commonwealth of Virginia and with respect to tort liability for acts or occurrences on or about the Premises, including product liability, the Commonwealth, Tenant and Occupants are either (i) constitutionally immune (or partially immune) from suit, judgment or liability, (ii) insured, or (iii) covered by a financial plan of risk management that is in the nature of self-insurance, all as determined by applicable laws, government policies and practices. No provision, covenant or agreement contained in this Lease shall be deemed to be a waiver of the sovereign immunity of the Commonwealth of Virginia, Tenant or Occupants, from tort or other liability.
- (b) No Indemnification. Landlord understands and acknowledges that Tenant and Occupants have not agreed to provide any indemnification or save harmless agreements running to Landlord.
- (c) Choice of Law. This Lease shall be governed by, and construed according to, the laws of the Commonwealth of Virginia. The parties choose the City of Richmond, Virginia, as the venue for any action instituted pursuant to the terms of this Lease.
- (d) Dissolution or Restructuring of Occupant. Notwithstanding any other provision of this Lease, if an Occupant shall cease to exist, and is not replaced by a successor entity with similar powers and purposes, or its powers and authority are limited so as to not permit the continued use of the Premises for its intended purpose and use, then upon such event this Lease shall terminate. In such event, Tenant will endeavor to give as much notice as is reasonably possible of the event triggering the termination and the anticipated date by which the Occupant will completely vacate the Premises. Nevertheless, if Tenant, in its sole discretion, determines that another agency or institution of the Commonwealth has a need for the Premises, Tenant may designate such other agency or institution to use the Premises.
- (e) Non-Appropriation. Agencies of the Commonwealth of Virginia cannot expend funds unless appropriated by the Virginia General Assembly and may not obligate a future session of the Virginia General Assembly. It is further understood that the Rent paid by Tenant is derived from appropriations (or federal funding) made to the Occupant and paid over to Tenant. Therefore, notwithstanding any provision in this Lease to the contrary, if any session of the Virginia General Assembly fails to appropriate funds for the continuance of this Lease for the Occupant (or federal funding for the continuation of this Lease is no longer available), this Lease and all

obligations hereunder shall automatically terminate upon depletion of the then currently appropriated or allocated funds. Nevertheless, if Tenant, in its sole discretion, determines that another agency or institution of the Commonwealth has a need for the Premises used by the Occupant, Tenant may designate such other agency or institution to use the Premises.

- 5. Except as amended herein, the Lease shall remain in full force and effect.
- 6. To the extent there are any conflicts between the provisions of this Amendment and the Lease, the provisions of this Amendment shall prevail.

This Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. This Amendment shall not be effective or binding unless and until signed by both parties and approved by the Governor of Virginia pursuant to Section 2.2-1149 of the Code of Virginia (1950), as amended.

IN WITNESS WHEREOF, the parties have affixed their signatures and seals.



LANDLORD
SOUTHSIDE TRAINING, EMPLOYMENT AND PLACEMENT SERVICES, INC., dba, STEPS INC.

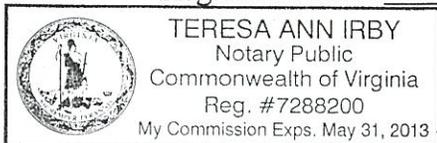
Sharon Harrup

 Sharon Harrup
 Executive Director

COMMONWEALTH OF VIRGINIA
CITY/COUNTY OF Prince Edward, to wit:

The foregoing First Amendment to Deed of Lease was acknowledged before me this 8 day of March, 2011, by Sharon Harrup, in her capacity as Executive Director of Southside Training, Employment and Placement Services, Inc., on behalf of the corporation.

My commission expires: _____
Registration No.: _____



Teresa B. Irby

 Notary Public

TENANT:

COMMONWEALTH OF VIRGINIA
DEPARTMENT OF GENERAL SERVICES

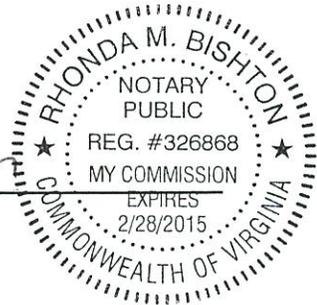
By: Richard F. Sliwoski
Richard F. Sliwoski
Director

COMMONWEALTH OF VIRGINIA
CITY/COUNTY OF Richmond, to wit:

The foregoing First Amendment to Deed of Lease was acknowledged before me this 16th day of March, 2011, by Richard F. Sliwoski, acting in his capacity as Director of the Commonwealth of Virginia, Department of General Services, on behalf of the agency.

My commission expires: Feb. 28, 2015
Registration No.: 326868

Rhonda M. Bishton
Notary Public



RECOMMEND APPROVAL:
DEPARTMENT OF GENERAL SERVICES

By: R. Sliwoski
Director

APPROVED BY THE GOVERNOR

Pursuant to Section 2.2-1149 of the Code of Virginia (1950), as amended, and by the authority delegated to me under Executive Order 88(01), dated December 21, 2001, I hereby approve this Fourth Amendment to Deed of Lease and the execution of this instrument for and on behalf of the Governor of Virginia.

Lia M. Hickok 3-18-11
Secretary of Administration Date

Deed of Lease

This Deed of Lease (the "Lease") is dated the 1st day of April, 2006, between SOUTHSIDE TRAINING, EMPLOYMENT AND PLACEMENT SERVICES, INC., dba STEPS, INC., as Grantor (the "Landlord"), and the COMMONWEALTH OF VIRGINIA, Department of General Services, with occupancy by the Department of Rehabilitative Services, as Grantee (the "Tenant"), with approval of the Governor pursuant to Section 2.2-1149 of the Code of Virginia (1950), as amended.

WITNESSETH

- 1. PREMISES.** For and in consideration of the terms, conditions, covenants, promises and agreements herein made, the Landlord leases to the Tenant the following property or premises (the "Premises"), together with full rights of ingress and egress, in the Town of Farmville, Virginia. The Premises are more particularly described as:

Two thousand sixteen (2,016) rentable square feet of office space and five hundred (585) rentable square feet of storage space, including nine (9) non-exclusive parking spaces located in Suite A at 225 Industrial Park Road, Farmville, Virginia 23901 (the "Building").

A sketch of the floor plan of the Premises is attached hereto as Exhibit A.

- 2. USE OF PREMISES.** The Premises are to be used and occupied by Tenant for administrative offices and training facilities for various departments, agencies or institution of the Commonwealth of Virginia or for such purpose or purposes as Tenant may now or hereafter be empowered or authorized by law to use same.

- 3. TERM.**

(a) The initial term of this Lease (the "Initial Term") shall be five (5) years, beginning on the later of November 1, 2006, or upon the substantial completion of the tenant improvements and acceptance in writing to the Landlord by the Tenant, minor punch list items excepted, (the "Commencement Date"), and expiration on October 31, 2011 (the "Expiration Date"). The Landlord shall provide the Tenant, two (2) weeks early access to the Premises rent-free for the Tenant or Tenant's contractor to install furniture, phones and data equipment.

In the event the construction and other work, as specified in Exhibits A, D and E attached to this Lease, is completed and accepted by Tenant in advance of November 1, 2006, or following such

date (in the event of late completion), Rent under this Lease shall commence effective as of the date Tenant takes possession of the Premises, as of the date of written acceptance, and Tenant will occupy such Premises thereafter. In the event of acceptance prior to, or after November 1, 2006, the parties hereto agree that the Initial Term shall commence on the date of acceptance if such date is the first day of a calendar month, and if not, the term shall commence on the first day of the calendar month next following such acceptance of the Premises by Tenant, and the Expiration Date shall be 60 months thereafter. Rent for any partial month shall be prorated and paid together with the next regular monthly rent payment. In such event, Landlord and Tenant agree that they will jointly execute a written Certificate of Lease Commencement, attached hereto as Exhibit F, which will evidence the correct commencement and expiration dates of the Lease term hereunder, in the manner specified above, as well as other dates or time periods specified in this Lease.

(b) The Landlord warrants that the Landlord alone, at the time this Lease is executed, has the right to lease the Premises, without the consent of any other party. It is expressly understood and agreed that this covenant by the Landlord constitutes a warrant. If the Landlord does not have this right, then the Tenant, in addition to any other remedy available at law or in equity, may immediately declare this Lease null and void from its inception and of no force and effect, without notice. In such event, no rent shall accrue or be deemed to have accrued for the term of this Lease, or for any part of the term.

4. RENT.

Landlord and Tenant agree that the Rent shall be based upon 2,016 rentable square feet of office space. Landlord shall provide to the Tenant an additional 585 square feet of storage space as shown on Exhibit A as Storage Room #1 and Storage Room #2 rent free during the Initial Term or any Option Term, or any renewal or extension term of the Lease.

(a) Tenant shall pay Landlord the sum of Twenty Two Thousand One Hundred Seventy Six and 00/100 Dollars (\$22,176.00) as annual rent (the "Rent") for first year of the Initial Term which shall be paid in arrears, in installments of One Thousand Eight Hundred Forty Eight and 00/100 Dollars (\$1,848.00), at the end of each month. Rent is due and payable beginning on November 30, 2006 and each month thereafter for the Initial Term, including any Option Term, renewal or extension term thereof. The payment of all Rent shall be made payable to STEPS, INC. and mailed to:

Executive Director
STEPS, INC.
225 Industrial Park Road
Farmville, Virginia 23901

or to such other person or entity or at such other address as the Landlord may designate from time to time by written notice to the Tenant.

(b) **Rent Escalation:** Beginning on the first anniversary date of the Commencement Date of this Lease and continuing thereafter on each subsequent anniversary date including any renewal or extension of this Lease, annual Rent shall increase by One and One-Half percent (1.5%), in accordance with the following schedule (the "Rent Schedule"):

RENT SCHEDULE

Period	Monthly Rent	Annual Rent	Rate per SF
11/01/06 – 10/31/07	\$1,848.00	\$22,176.00	\$11.00
11/01/07 – 10/31/08	\$1,875.72	\$22,508.64	\$11.17
11/01/08 – 10/31/09	\$1,903.86	\$22,846.32	\$11.33
11/01/09 – 10/31/10	\$1,932.41	\$23,188.92	\$11.50
11/01/10 – 10/31/11	\$1,961.40	\$23,536.80	\$11.67

5. POSSESSION AND CONDITION OF PREMISES.

(a) The Landlord shall deliver quiet possession of the Premises to the Tenant on the Commencement Date and shall provide quiet enjoyment of the Premises to the Tenant during the Initial Term, and any renewals or extensions thereof.

(b) On the Commencement Date, the Landlord shall deliver the Premises to the Tenant in good repair and in a condition suitable to the use for which it is leased.

(c) The Landlord, and its employees, agents and contractors, shall have the right to enter and pass through any part of the Premises, without prior notice, only in the case of an emergency. If the Landlord, or the Landlord's employees, agents or contractors, must enter the Premises in the case of an emergency, then as soon as practicable before or after such emergency entrance, the Landlord, or the Landlord's agent, shall contact Roxanne Slaughter, (434)-947-6721, DRS Farmville Field Office.

(d) The Landlord covenants that (i) the Premises and the building of which the Premises (the "Building") forms a part have been inspected by an Asbestos Inspector licensed by the Virginia Department of Professional and Occupational Regulation and the Building and the Premises are free of friable asbestos that is not managed under a management plan prepared by an Asbestos Management Planner licensed by the Virginia Department of Professional and Occupational Regulation; and (ii) any friable asbestos discovered in or on the Building or the Premises shall be promptly and properly removed by the Landlord, at the Landlord's sole expense, in compliance with applicable federal, state and local laws and regulations, provided that, if the asbestos was

introduced into the Premises by Tenant, the cost of the removal thereof shall be the Tenants expense.

6. MAINTENANCE.

(a) The Landlord warrants that on the Commencement Date, the Premises and all its equipment, including the plumbing, heating, ventilation and air conditioning equipment and systems shall be in good repair and good working order.

(b) The Landlord shall equip the Premises and perform all alterations, replacements, improvements, decontamination, and additions to the Premises and the equipment upon the Premises, at the Landlord's expense, as shall be necessary at any time during the Initial Term of this Lease, or any extension or renewal thereof, to comply with the provisions of Federal, State and local laws and regulations pertaining to health, safety, public welfare, and environmental protection, including laws and regulations pertaining to asbestos, carbon monoxide, polychlorinated biphenyls, urea formaldehyde, lead paint, radon, petroleum product storage tanks, and freon, regardless of the effective date of law or regulation unless the Premises are grandfathered from such laws or regulations. This subsection shall not apply if the necessity for compliance with these laws arises from a grossly negligent or willful act of the Tenant or its employees and the Tenant is found by a court of competent jurisdiction to be liable for such acts under the Virginia Tort Claims Act.

(c) It shall be the sole responsibility and obligation of the Landlord, at its expense and in accordance with applicable laws, technical publications, manuals and standard procedures, to (i) properly maintain, repair and replace all the structural portions of the Premises, including foundation, sub-floor, structural walls and roof, as well as to keep the Premises and all equipment and non-trade fixtures in good working order and to perform any required repairs, replacement and maintenance, and (ii) keep all plumbing, heating, air conditioning, electrical and mechanical devices, appliances and equipment of every kind or nature affixed to or serving the Premises in good repair, condition and working order. All equipment and systems shall be maintained to provide reliable, energy efficient service, without unusual interruption, disturbing noises, exposure to fire or safety hazards, uncomfortable drafts, excessive air velocities, or unusual emissions of dirt. As used herein, the word "repair" shall be deemed to include replacement of broken or cracked glass.

(d) All other necessary or required maintenance, repairs and replacements to the Premises and common areas shall be the sole responsibility and expense of the Landlord. The Landlord's maintenance responsibilities shall include the supply and replacement of all supplies, materials and equipment necessary for such maintenance.

(e) The Landlord shall not be obligated to make any repairs to the Premises due to damage caused by the grossly negligent or willful acts of the Tenant, or its agents, employees, or contractors.

(f) If the Landlord fails to keep, repair and maintain the Premises and all plumbing, heating, air conditioning, electrical and mechanical devices, appliances and equipment of every kind or nature affixed to or serving the Premises in good repair, condition and working order as provided in this Section, then the Tenant, at its option, may either immediately terminate this Lease and all obligations hereunder, or proceed to make, or cause to be made, such upkeep, repair and maintenance, at the Landlord's expense. The Tenant may deduct the cost thus incurred in fulfilling the Landlord's obligations under this Lease from future Rent payments and/or may collect the cost from the Landlord in any manner provided by law. Furthermore, the Tenant shall be entitled to deduct from the rent, or any installment thereof, the per diem rental for each day that the Premises are rendered unsuitable for use as a result of the breakdown or malfunction of any equipment which the Landlord has herein agreed to keep, repair, and maintain; provided, however, that this deduction from the Rent shall not commence until the first day after the Landlord has been given notice (which may be oral) of the breakdown or malfunction. No notice of termination shall be given under this Section if the Landlord has physically commenced such repairs or is causing such repairs to be made, and such repair work is being diligently and continuously pursued to completion in a good and workmanlike manner.

(g) When and as snow and/or ice removal become necessary, the Landlord shall promptly remove all snow and ice from all walkways, loading areas, common areas, and parking areas.

7. DAMAGE OR DESTRUCTION OF THE PREMISES.

(a) If the Premises are damaged by fire, lightning, windstorm, tornado, earthquake, civil disturbance, flood, acts of nature or other casualty loss, and, in the reasonable opinion of the Tenant, the Premises are thereby rendered untenable or unusable for the Tenant's purposes, this Lease shall immediately terminate, at the option of the Tenant, upon written notice to the Landlord.

(b) If the Premises are damaged by fire or otherwise, but in the reasonable opinion of the Tenant is not rendered totally untenable and unusable, upon being notified to do so by the Tenant or its duly authorized agent, the Landlord shall repair and restore the Premises as promptly as possible to their former condition, in which event there shall be a proportionate abatement of all Rent and other payments otherwise due to the Landlord under the terms of this Lease, for the period during which the said repairs and restoration are being completed, for that portion of the Premises not substantially usable by the Tenant during such period. If the Landlord fails to make all repairs, replacement, restoration, or renovation as required in this subsection, or as otherwise required in this Lease where no other remedy is expressly provided, within a reasonable time after written notice to the Landlord, then the Tenant may choose either option (i) or (ii) below:

(i) The Tenant may undertake with its own resources to repair, replace, restore or renovate the Premises and may deduct the reasonable costs of the repairs, replacement, restoration, and renovation from the Rent or other payments otherwise due to the Landlord under the terms of this Lease, or any renewal or extension thereof, or the Tenant may collect all such costs from the Landlord in any manner provided by law, if the Landlord has not paid for such repairs within 30 days after receipt of billing therefor from the Tenant; or

(ii) The Tenant may terminate this Lease by giving fifteen (15) business days written notice to the Landlord. No notice of termination shall be given by the Tenant under this subsection if the Landlord, or its agents, has physically commenced repairs, replacement, restoration or renovation, and the work is being diligently and continuously pursued to completion in a professional and workmanlike manner.

8. ALTERATIONS BY THE TENANT. The Tenant, at its sole cost and expense, may make alterations and additions to the Premises as the Tenant deems proper. The Tenant, however, shall not make any structural alterations of the roof, foundation or exterior walls without the prior written consent of Landlord, unless made pursuant to Section 7(b)(i). The Tenant, at its sole cost and expense, may install fixtures, partitions and make such other improvements as the Tenant may deem proper and the title and ownership of materials used in such alterations and additions, and all fixtures, partitions, and other improvements made and/or installed by the Tenant shall remain in the Tenant. Upon termination of this Lease, the Tenant may, at its option, remove the fixtures, partitions and other improvements made under this Section, in which event any damage to the Premises caused by removal, other than nominal damage (such as screw holes, bracket marks, etc.) shall be repaired by the Tenant at its expense. If the Tenant elects not to remove the improvements, it shall have no further responsibility for them or their removal.

9. UTILITIES AND SERVICES; INSURANCE; TAXES.

(a) The Landlord shall provide, at the Landlord's expense, the following utilities and services for the Premises: heating and air-conditioning as conditions require, electricity, gas, water and sewer, janitorial, interior trash removal, and telephone service to the Building. If the Landlord or Landlord's agent interrupts, discontinues or causes the interruption or discontinuation of any of these utilities or services, then the Tenant, in addition to any other remedy available under the law, shall be entitled to deduct from the Rent, or other payments otherwise due to the Landlord under the terms of this Lease or any renewal or extension thereof, either (i) the per diem rental for each day that the Premises are rendered unsuitable for use due to the Landlord's failure to provide such utility or service, or (ii) the actual cost to provide the utility or service if not provided by the Landlord.

(b) The Landlord shall be responsible for all real estate taxes or charges in lieu of taxes applicable to the Premises.

(c) The Landlord, at Landlord's expense, shall keep the Premises and the Building insured against damage by fire, lightning, windstorm, tornado, earthquake, civil disturbance, flood, acts of nature and casualty loss, under a broad form extended coverage or similar property loss policy. The policy shall cover at least eighty percent (80%) of the replacement cost of the Premises and the Building. In addition, the Landlord shall maintain broad form general commercial liability insurance sufficient to ensure reasonable financial responsibility in the event of liability for injury, loss or damage at the Premises, the common areas and facilities.

10. CONDITION OF COMMON AREAS. The Landlord, at the Landlord's sole expense, shall maintain in a good, clean and safe condition, all common areas and common facilities, including all hallways, walkways, parking areas, and all related exterior lighting, to be used by the Tenant in common with other tenants. If the Landlord fails to maintain such areas or facilities in a good, clean and safe condition, or to make all repairs and/or improvements within a reasonable time after written notice, then the Tenant may terminate this Lease or proceed to make repairs or improvements, pursuant to the provisions of Section 6(f).

11. ACCESSIBILITY BY PERSONS WITH DISABILITIES.

(a) In addition to any other requirements or covenants in this Lease, and at all times during the Term, option and any renewal terms, Landlord covenants that, as to the Premises, the common areas and the parking facilities of the Building, it has fully complied, or will comply, to the fullest extent required by law, with:

- (i) the facilities accessibility laws, regulations and standards required by the "Americans With Disabilities Act of 1990", including Titles II and III thereof, and the regulations and standards promulgated thereunder, including the regulations promulgated by the U.S. Department of Justice (28 CFR Chapter 1, Part 36 and the Standards for Accessible Design Pt. 36, App. A-entitled "ADA Accessibility Guidelines for Buildings and Facilities"), as amended, and
- (ii) the minimum requirements of the Virginia Uniform Statewide Building Code (VUSBC), Volume I-New Construction, as amended, pertaining to access by the physically handicapped and aged persons, including Chapter 11 ("Accessibility") of said VUSBC, which, in part, incorporates the regulations and referenced standards of the U.S. Department of Justice identified above.

To the extent the minimum requirements of the VUSBC are more restrictive than applicable federal requirements, the more restrictive of the two shall control.

Landlord further covenants that, following the date of execution of this Lease, all alterations of the Premises and common areas, including parking facilities, shall be undertaken by Landlord in such a manner that the ADA and the regulations and standards promulgated thereunder and the VUSBC are fully complied with to the extent required by law and as herein provided.

Tenant may discover that an element of the Premises, or the construction or design of the Premises, as well as the other facilities areas noted above, or alterations thereto, are not in compliance with the requirements herein set forth, including the referenced standards or guidelines pertaining to the ADA. In such event, Tenant shall promptly notify Landlord (or Landlord's agent) in writing detailing both the requirement and the noted deficiency and specifying the action required to bring about compliance.

Should the Landlord fail within thirty (30) calendar days following such notice to comply or to propose in writing an alternative for compliance which the Tenant deems acceptable, or, alternatively, fail to convince the Tenant that compliance is not required, either because such accommodation as would otherwise be required would constitute an undue hardship when measured against the financial resources of the Landlord or because the facilities are nevertheless accessible and usable by individuals with disabilities, then Tenant may undertake with its own resources to accomplish the work needed to achieve such compliance and may deduct the reasonable costs of such accommodation from the rents or other sums then otherwise due Landlord under the terms of this Lease, option and any renewal terms, or may terminate this Lease by giving three months' written notice to Landlord.

(b) The foregoing provisions of this Section, as applied to Landlord, shall not apply to trade fixtures used or installed by Tenant or Tenant's layout of such trade fixtures.

12. DISCLOSURES; NON-WAIVER; APPROPRIATIONS.

(a) The Landlord understands and acknowledges that the Tenant is an agency of the Commonwealth of Virginia and with respect to tort liability for acts or occurrences on or about the Premises, including product liability, the Commonwealth and the Tenant are either (i) constitutionally immune (or partially immune) from suit, judgment or liability, (ii) insured, or (iii) covered by a financial plan of risk management that is in the nature of self-insurance, all as determined by applicable laws, government policies and practices.

(b) The Landlord understands and acknowledges that the Tenant has not agreed to provide any indemnification or save harmless agreements running to the Landlord. No provision, covenant or

agreement contained in this Lease shall be deemed to be a waiver of the sovereign immunity of the Commonwealth of Virginia, or of the Tenant, from tort or other liability.

(c) This Lease shall be governed by, and construed according to, the laws of the Commonwealth of Virginia. The parties choose the City of Richmond, Virginia, as the venue for any action instituted pursuant to the terms of this Lease.

(d) Notwithstanding any other provision of this Lease, if the Tenant shall cease to exist, and is not replaced by a successor entity with similar powers and purposes, or its powers and authority are limited so as to not permit the continued use of the Premises for the purpose and use for which same are leased, then this Lease and all responsibility or obligations of the Tenant under this Lease shall terminate. In such event, the Tenant will endeavor to give as much notice as is reasonably possible of the event triggering the termination of this Lease and the anticipated termination date, but failure to give such notice shall not affect the termination.

(e) Agencies of the Commonwealth of Virginia cannot expend funds unless appropriated by the Virginia General Assembly and may not obligate a future session of the Virginia General Assembly. Therefore, notwithstanding any provision in this Lease to the contrary, if any session of the Virginia General Assembly fails to appropriate funds for the continuance of this Lease, this Lease and all obligations hereunder shall automatically terminate upon depletion of the then currently appropriated or allocated funds.

13. REPORT OF OCCUPANCY.

(a) The Tenant shall, within fifteen (15) days after receipt of a written request by the Landlord, submit to the Landlord, or its designee, a written Report of Occupancy, the form of which is attached hereto as Exhibit B, specifying: (i) the date of possession of the Premises by the Tenant and the date on which the Lease terminates, (ii) whether this Lease is in full force and effect, (iii) the annual Rent, (iv) whether there have been any modifications to the Lease, and if there have been, a description of all such modifications, and, (v) whether the Tenant has knowledge of any default hereunder on the part of the Landlord, or if it does have such knowledge, a description of any such default.

(b) The issuance of a report requested under subsection 13(a), or any errors or omissions in such report: (i) shall not operate as an estoppel against either the Commonwealth of Virginia or the Tenant, (ii) shall not form or provide any basis for liability against the Commonwealth or the Tenant, and (iii) shall not operate as a waiver of any rights or defenses that may be available to the Commonwealth or the Tenant either at that time or in the future.

14. CONDEMNATION.

(a) The Landlord shall give immediate notice to the Tenant of any discussions, offers, negotiations or proceedings with any party regarding condemnation or taking of any portion of the Premises.

(b) In the event that any portion of the Premises, or any portion of the Building, is taken by eminent domain, or sold to the holder of such power pursuant to a threatened taking, this Lease shall terminate effective as of the date of the taking. The date of taking shall be the earlier of: (i) the date on which title vests in the condemning entity or (ii) the date on which the condemning entity takes possession. In the event of a taking, the Tenant assigns to the Landlord any rights that the Tenant may have in and to any portion of a condemnation award, but such an assignment shall exclude any portion that may be due for, or attributed to, the Tenant's fixtures, moving expenses and allowances.

15. SUBORDINATION, NON-DISTURBANCE, AND ATTORNMENT. Upon request by the Landlord, the Tenant agrees to execute a Subordination, Attornment and Non-Disturbance Agreement that substantially conforms to Exhibit C, attached hereto, provided, however, that all such agreements are subject to approval by the Tenant and the Office of the Attorney General of Virginia.

16. OPTION, TERMINATION, RENEWAL, AND HOLDOVER.

(a) Options. Tenant shall have one (1) option of five (5) years to extend the term of this Lease ("Option Term") upon providing at minimum of four (4) months' written notice to Landlord prior to the expiration of the Initial Term. Rent shall increase by One and One-Half Percent (1.5%) annually, subject to all of the terms and conditions of this Lease in accordance with the following schedule (the "Rent Schedule"):

Period	Monthly Rent	Annual Rent	Rate per SF
11/01/11 - 10/31/12	\$1,990.82	\$23,889.84	\$11.85
11/01/12 - 10/31/13	\$2,020.68	\$24,248.16	\$12.03
11/01/13 - 10/31/14	\$2,050.99	\$24,611.88	\$12.21
11/01/14 - 10/31/15	\$2,081.76	\$24,981.12	\$12.39
11/01/15 - 10/31/16	\$2,112.99	\$25,355.88	\$12.58

If the Option is not exercised, or at the end of the Option Term if the option is exercised, the expiration of this Lease shall be subject to the provisions of Section 16 of this Lease.

(b) Termination. Unless otherwise terminated herein, Tenant may elect to terminate this Lease and vacate the Premises at the end of the Initial Term or any Option Term upon providing a

minimum of four (4) months' written notice to Landlord prior to the expiration of the Initial Term or any Option Term as may be applicable or upon providing a minimum of four (4) months' prior written notice to Landlord at any time during any Renewal Term, as defined below.

Unless otherwise terminated herein, Landlord may elect to terminate this Lease upon the expiration of the Option Term or upon the expiration of any Renewal Term by providing a minimum of four (4) months' prior written notice to Tenant.

(c) Renewal. This Lease shall automatically renew and continue from year to year ("Renewal Term") on the same and other terms and conditions as existed immediately prior to the commencement of the Renewal, including any escalation in Rent, if neither party has given a timely notice of termination as provided in (b) above.

(d) Holdover. If Tenant continues to occupy the Premises after the expiration date specified in a proper notice to terminate as provided in (b) above ("Holdover"), such Holdover shall be deemed a tenancy from month-to-month upon the same Rent and other terms and conditions as existed immediately prior to the commencement of the Holdover. Either party may terminate such holdover upon providing a minimum of four (4) months' prior written notice to the other party.

(e) Condition of Premises. At the expiration of this Lease, Tenant shall peaceably deliver the Premises in the same condition as originally accepted, nominal damage and normal wear and tear excepted, and subject to any provisions to make repairs and restoration, as provided herein.

(f) Posting of Notice. After notice of termination has been properly given by either party, Landlord may elect to post a notice that the Premises are available for rent. Landlord may show the Premises to prospective tenants only during Tenant's normal business hours, with prior notice to Tenant and in such a manner so as not to disturb Tenant's operations.

17. NOTICES.

(a) All notices to the Tenant required or permitted under this Lease shall be given by mailing the notice by certified U.S. mail, postage prepaid, return receipt requested, to the Tenant addressed to:

Division of Real Estate Services
Attn: Director
1111 E. Broad St., 7th Floor
Richmond, VA 23219

With a copy to:

Lease Administrator
Department of Rehabilitative Services
8004 Franklin Farms Drive
Richmond, VA 23229

(b) All notices to the Landlord required or permitted under this Lease shall be given by mailing the notice by certified U.S. mail, postage prepaid, return receipt requested, to the Landlord addressed to:

Executive Director
STEPS, INC.
225 Industrial Park Road
Farmville, Virginia 23901

(c) Where, under the terms of this Lease, a notice is sent by certified U.S. mail, postage prepaid, return receipt requested, such notice shall be deemed to have been given as of the date of mailing such notice. Each party to this Lease shall notify the other party of a new address at which to mail notices, which notice shall be given in the manner provided above, and unless and until such notice of new address is given, notices to a party hereto shall be sufficient if mailed to such party's address as specified in Section 17(a) or Section 17(b), as appropriate.

(d) Where, under the terms of this Lease, a notice is required or permitted to be sent by certified U.S. mail, postage prepaid, return receipt requested, and such notice is not sent in such manner, the notice shall be effective if actually received by the party, or its appointed agent, to whom the notice is addressed.

18. BINDING EFFECT; AMENDMENTS. The covenants, agreements, and rights contained in this Lease shall bind and inure to the respective heirs, personal representatives, successors and assigns of the Landlord and the Tenant. This Lease constitutes the entire, full and complete understanding and agreement between the Landlord and the Tenant, and all representations, statements, warranties, covenants, promises or agreements previously made or given by either party to the other are expressly merged into this Lease and shall be null, void and without legal effect. Neither party, nor any agent of either party, has any authority to alter, amend or modify any of the terms of this Lease, unless the amendment is in writing and executed by all parties to this Lease with the same formality as this Lease. This Lease shall not be effective or binding unless and until signed by all parties and the Tenant obtains the recommendation of the Virginia Department of General Services and the approval of the Governor of Virginia, or his designee, as required by Section 2.2-1149 of the Code of Virginia (1950), as amended.

19. DEFAULT.

(a) The termination of this Lease by the Tenant pursuant to the provisions contained herein shall not be a default hereunder.

(b) If either party shall breach any provision of this Lease, the non-breaching party shall give written notice thereof to the breaching party. The breaching party shall have thirty (30) days from the receipt of the notice to cure the breach and, if not so cured, the non-breaching party may, at its option, exercise such rights as may exist at law or in equity, except that the Landlord shall not take possession of the Premises by any self-help remedy. The provisions of this subsection shall not be construed as imposing any additional obligations on the non-breaching party to the extent that this Lease permits the non-breaching party to take certain actions as a result of a breach by the other party.

20. PRESUMPTIONS. No presumption shall be created in favor of or against any of the parties to this Lease with respect to the interpretation of any term or provision of this Lease due to the fact that this Lease, or any part hereof, was prepared by or on behalf of one of the parties hereto, as may be evidenced by the disclosure on the face of this Deed of Lease made pursuant to Virginia Code Section 17.1-223.

21. ASSIGNMENT. Tenant may not assign this Lease, or sublet the Premises, without the written consent of Landlord, which consent shall not be unreasonably withheld or delayed, except that Tenant may assign this Lease to any other agency of the Commonwealth of Virginia without Landlord's consent.

22. HEADINGS. The heading of the sections of this Lease are inserted for convenience only and do not alter or amend the provisions that follow such headings.

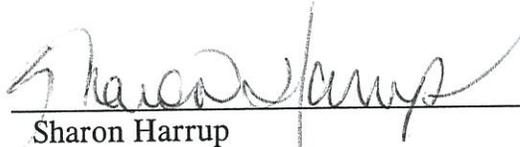
23. ADDITIONAL PROVISIONS. This Lease is subject to the following terms, conditions, modifications, additions and/or deletions provided in the following designated attachments, exhibits and riders, which are hereby incorporated into this Deed of Lease:

- Exhibit A: Floor Plan of the Premises
- Exhibit B: Report of Occupancy
- Exhibit C: Subordination, Non-Disturbance, and Attornment
- Exhibit D: Tenant Improvements
- Exhibit E: Guidelines for Interior Tenant Improvements
- Exhibit F: Certificate of Lease Commencement

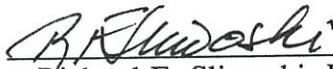
- Rider Number 1: Refurbishment Required
- Rider Number 2: Security Systems and Devices

IN WITNESS WHEREOF, the parties hereto have affixed their signatures and seals.

LANDLORD: SOUTHSIDE TRAINING, EMPLOYMENT AND
PLACEMENT SERVICES, INC., dba STEPS, INC.

By: 
Sharon Harrup
Executive Director

TENANT: COMMONWEALTH OF VIRGINIA
Department of General Services

By: 
Richard F. Sliwoski, P. E.,
Director

STATE OF VIRGINIA
CITY/COUNTY OF Henrico, to wit:

The foregoing Deed of Lease was acknowledged before me this 11th day of July,
2006 by Sharon Harrup acting in her capacity as Executive Director, on behalf of the
Southside Training, Employment and Placement Services, Inc. dba STEPS, INC., on behalf of
the corporation.

My commission expires 2/28/2009


Notary Public

STATE OF VIRGINIA
CITY OF RICHMOND, to wit:

The foregoing Deed of Lease was acknowledged before me this 10th day of August 2006 by Richard F. Sliwoski, acting in his capacity as Director of the Department of Generals on behalf of the Commonwealth of Virginia.

My commission expires Feb. 28, 2007

Rhonda M. Bushon
Notary Public

**RECOMMEND APPROVAL:
DEPARTMENT OF GENERAL SERVICES and its
Division of Engineering and Buildings**

BY: R. F. Sliwoski
Director

APPROVED BY THE GOVERNOR: Pursuant to Section 2.2-1149 of the Code of Virginia (1950), as amended, and as the official designee of the Governor of Virginia, as authorized and designated by Executive Order 88(01) dated October 21, 2001, I hereby approve the acquisition of the Premises pursuant to this Deed of Lease for and on behalf of the Governor of Virginia.

August 11, 2006
Date

Viola O. Baskerville
Secretary of Administration

DGS Expense Lease #30-515
October 16, 2001

LEASE NO. 262-L0154

EXHIBIT A
FLOOR PLAN OF THE PREMISES

EXHIBIT A

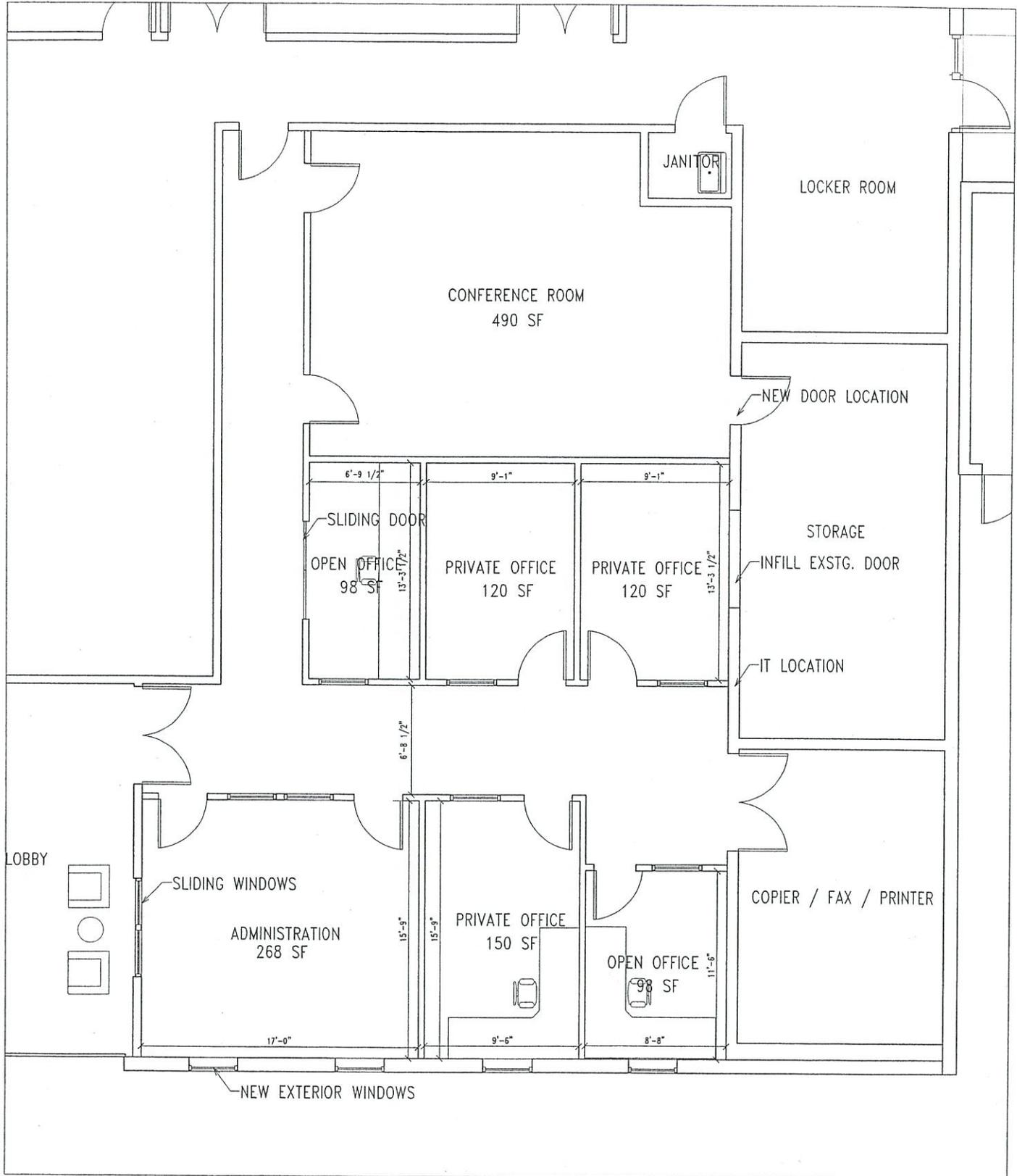


EXHIBIT B

REPORT OF OCCUPANCY

This Report of Occupancy is made this ____ day of _____, 20____, by the Commonwealth of Virginia, _____, as Tenant with _____ as Landlord, under that Deed of Lease, dated _____ (and amended _____ (date) (copy attached) _____ and recorded _____ in the Clerk's office of the Circuit Court of _____ County, Virginia, in Deed Book _____, page ____ (the "Lease"), relating to the property known as _____, located in _____, Virginia (the "Premises"). This Report of Occupancy is made by Tenant at the request of Landlord on account of a loan made or to be made by _____ ("Lender"), secured or to be secured by a deed of trust upon the Premises (and the property of which the Premises forms a part). To the best of the belief of Tenant:

1. The Lease is now in full force and effect, there are no amendments thereto, and there are no other agreements between the Tenant and Landlord relating to the Premises.
2. Tenant has accepted and is now in possession of the Premises, pursuant to the terms of the Lease, and all requirements for the commencement and validity of the Lease have been satisfied.
3. No offset or credit for any rent is due to Tenant, and no payment of rent under the Lease has been paid more than 30 days in advance of its due date. Tenant does not intend to pay rent more than 30 days in advance of its due date.
4. All improvements required to be made by Landlord, according to the Lease, have been satisfactorily completed.
5. Landlord has fulfilled all of its duties of an inducement nature and is not in default in any manner in the performance of any of the terms of the Lease.

6. The original base rental, in the amount of _____ per month, commenced to accrue on the _____ day of _____. The current Lease term expires on _____. The present rental amount is _____ per month.
7. The Lease does not require and Tenant does not pay any percentage rent ("Percentage Rent or Overage Rent") over and above the base rent indicated above.
8. Tenant has no notice or knowledge of any assignment, hypothecation, or pledge of rents by Landlord.
9. Tenant has not paid any security deposit and none is being held by Landlord relating to the Lease.

Tenant acknowledges that as a part of Lender's loan to Landlord, Landlord has made or will make an assignment of Landlord's interest in the Lease to Lender. Tenant understands that, until further notice from Lender, it may continue to make rent payments to Landlord. Tenant hereby requests a letter from Landlord confirming the loan has been closed and a formal notice of such assignment together with an executed copy of the assignment instrument.

Upon receipt of the letter and notice, as aforesaid, along with an executed copy of the assignment instrument, Tenant will, as a courtesy to Lender, endeavor to notify the Lender in the event of any extension or renewal of the Lease, and to forward copies to Lender of all notices it may send to Landlord pursuant to the Lease.

Notwithstanding any of the foregoing provisions of this Report, neither Landlord, nor Lender, nor any other party, shall have any right to assert any liability upon or against the Commonwealth of Virginia, or Tenant, or any of its agents, members or employees, in connection with this Report or the statements herein made. Nothing herein shall be deemed to be a waiver of the sovereign immunity of the Commonwealth of Virginia or Tenant. Further, although the statements herein are made to the best of its knowledge, and although Tenant will endeavor to carry out the agreements herein contained on a voluntary basis, Landlord and Lender agree, as a condition of accepting, relying upon or using, in any manner, this Report, that there shall be no cause of action against, liability upon, or estoppel against the Commonwealth of Virginia or Tenant, or any of its agents, members or employees, for any inaccuracy, error, omission, breach or non-compliance with the provisions hereof, and that no suit or legal action will be instituted hereunder on such grounds.

Commonwealth of Virginia,

COMMONWEALTH OF VIRGINIA
CITY/COUNTY OF _____, to wit:

The foregoing instrument was acknowledged before me by
_____, on the _____ day of _____, 20____, in the jurisdiction aforesaid.

My commission expires: _____

Notary Public

EXHIBIT C

SUBORDINATION, ATTORNMENT AND NON-DISTURBANCE AGREEMENT

This Subordination, Attornment and Non-Disturbance Agreement is dated _____, 20__ by and between _____ and the Commonwealth of Virginia, _____.

Whereas, by Deed of Lease (the "Lease"), dated _____, _____, as Landlord (the "Landlord"), demised certain property described as _____, Virginia _____ (the "Premises") to the Commonwealth of Virginia, _____, as Tenant (the "Tenant"); and,

Whereas, _____ (the "Lender") is secured by a Deed Of Trust (the "Deed of Trust") upon certain property, of which the Premises forms a part (the "Property"), described in Exhibit A, which exhibit is attached hereto and made a part hereof; and,

Whereas, the Lender has requested that the Tenant execute a subordination and attornment agreement and the Tenant has agreed upon the condition that it simultaneously be provided with certain assurances that its tenancy under the Lease will not be disturbed.

Now, therefore, for and in consideration of the respective and mutual agreements herein set forth the parties agree as follows:

The Lender hereby expressly agrees that as long as the Tenant or its lawful successors or assigns shall continue to pay the rent as provided for in the Lease and otherwise comply with the terms and provisions thereof, neither the Lender nor its successors or assigns shall disturb the Tenant or its lawful assigns in its quiet possession of the Premises during the term of the Lease.

The Lender further agrees that the lien of the Deed of Trust shall not cover any of the Tenant's fixtures, alterations or improvements which the Tenant, under the terms of the Lease, is permitted to remove from the Premises.

The Tenant agrees that its rights under the Lease shall be subordinated to the lien of the

Deed of Trust provided that the Tenant's tenancy shall not be disturbed nor shall the Lease be affected by any default under the Deed of Trust. The Tenant further agrees that, in the event of a foreclosure or other enforcement of the Deed of Trust, or sale in lieu thereof, it will attorn to any purchaser of the Property of which the Premises form a part, and recognize such purchaser as the Landlord under the Lease upon the then executory terms and conditions of the Lease for the remainder of the term of the Lease, provided that such purchaser shall then be entitled to possession of the Premises subject to the provisions of the Lease.

IN WITNESS WHEREOF, the parties hereto have affixed their signatures and seals.

LENDER: _____

By: _____
(Name and Title)

TENANT: COMMONWEALTH OF VIRGINIA

By: _____
(Name and Title)

STATE OF _____
CITY/COUNTY OF _____, to wit:

The foregoing Subordination, Attornment and Non-Disturbance Agreement was acknowledged before me this ____ day of _____, 20__ by _____, acting in his/her capacity as _____ of _____ on behalf of the _____.

My commission expires _____
Notary Public

STATE OF VIRGINIA
CITY/COUNTY OF _____, to wit:

The foregoing Subordination, Attornment and Non-Disturbance Agreement was acknowledged before me this ____ day of _____, 20__ by _____, acting in his/her capacity as _____.

of the Commonwealth of Virginia, _____, on behalf of the
agency.

My commission expires _____
Notary Public

EXHIBIT D

Tenant Improvements. The Landlord agrees to perform, and the Tenant's obligations under this Lease are expressly conditioned upon, certain construction and/or renovation work at the Premises to be completed on or before the Commencement Date. The Landlord shall, at Landlord's sole expense, perform and complete all work as specified in the Floor Plan of the Premises, Exhibit A, Tenant Improvements, Exhibit D, and Guidelines for Interior Tenant Improvements, Exhibit E.

(a) The Landlord shall use its best efforts to complete the construction, improvements and other work specified in this Lease to prepare the Premises for occupancy, in a professional and competent manner using good quality materials, as soon as practicable but no later than the Commencement Date. The Landlord agrees to provide the Tenant with seven (7) days advance written notice of substantial completion of such work and the availability of the Premises for occupancy. Thereafter the Tenant shall be afforded an opportunity for a walk-through inspection to determine if there are deficiencies in the work. The Initial Term shall not commence, and no Rent shall accrue under this Lease, until the Tenant has accepted the Premises which acceptance shall be evidenced by a written letter from the Tenant. The Tenant shall have no obligation to occupy the Premises until acceptance has been made. If the Tenant finds: (i) that all construction, improvements and other work required by this Lease have not been satisfactorily completed, in the sole opinion of the Tenant, preventing the Premises from being ready for occupancy and use by the Commencement Date, (ii) that such construction, improvements and other work have not been performed in a good and workmanlike manner or have been done with poor quality materials, (iii) that all required building inspections or approvals applicable to such construction, improvements and other work have not been properly obtained from local and/or state building inspectors, or (iv) that all construction, improvements and other work are not in compliance with all applicable building codes, then the Tenant, in its sole discretion, may determine that the work is not substantially complete and refuse to accept the Premises. All deficiencies (as described above) shall be specified in writing to the Landlord. The Landlord shall correct all deficiencies within fourteen (14) days of receipt of the Tenant's notice. The Tenant shall not be obligated to accept the Premises until the deficiencies are satisfactorily corrected.

(b) If the Landlord fails to correct all deficiencies within fourteen (14) days after notice by the Tenant, the Tenant may immediately terminate this Lease by written Notice of Termination to the Landlord. Notwithstanding any other provision in this Lease, in the event that the construction, testing and other work are not substantially and satisfactorily completed by

November 1, 2006, leaving the Premises ready for occupancy, the Tenant, at its option, may thereafter terminate this Lease by written notice to the Landlord and/or institute legal action for any damages incurred.

(c) Subject to the foregoing provisions, as soon as possible following acceptance by the Tenant, and provided the local building inspector or building authority has issued any required certificates of occupancy and other required approvals, the Tenant agrees to take possession of the Premises; provided, however, that in no event shall the Tenant be obligated to take possession prior to the Commencement Date. The Tenant agrees to give written acceptance without delay. Without waiving any other rights under this Lease or legal remedies, the Tenant may accept the Premises and provide the Landlord with a written punch list of minor items which need correction but which will not prevent occupancy of the Premises by the Tenant. The Landlord agrees to correct all such punch list items within seven (7) days after receipt of the written punch list. If the punch list items are not corrected within said seven (7) day period, then the Tenant may, but is not obligated to, correct all punch list items with its own resources and deduct the reasonable costs of such corrections from Rent and any other amounts due under this Lease and/or pursue any other legal remedies available to it.

(d) In the event that the Tenant takes possession of the Premises after the Commencement Date because of late completion, the Initial Term shall commence on the first day of the first full calendar month after the date of acceptance of the Premises by the Tenant, and the Tenant shall pay to the Landlord a sum equal to the pro-rated initial monthly Rent for the fractional part of the month, if any, from the acceptance date to the new Commencement Date. Such pro-rata sum shall be due and payable with the Rent for the first full month of the Initial Term. The Expiration Date shall be adjusted accordingly, so that the length of the Initial Term remains the same. If, due to late completion or other events, the Commencement Date is other than as specified in Section 3 of the Lease, the Landlord and the Tenant agree that they will jointly execute a written Certificate of Lease Commencement that conforms substantially to Exhibit F attached hereto.

EXHIBIT E

GUIDELINES FOR INTERIOR TENANT IMPROVEMENTS

ADA Accessibility

- All facilities shall comply with applicable ADA codes and regulations for access and ability to work in a barrier free space.
- Accessible facilities to include parking, building entrance, elevators, toilets and other ancillary spaces as well as tenant office areas.

Environmental

- The building is to be free of friable asbestos, or friable asbestos must be properly abated prior to occupancy. ACM's must be managed under an appropriate management plan. Certification will be required.
- Space to be mold free. Certification may be required.

Ceiling

- Lay-in acoustical 2' x 4' or 2' x 2' tiles with suspended grid, with minimum NRC of 0.65.

Lighting

- Modern parabolic, diffused, 2' x 4' and/or 2' x 2' fluorescent fixtures with energy efficient lamps (T-8 or better) and electronic ballasts shall be provided. Fixtures shall be capable of producing and maintaining a uniform lighting level of 50-foot candles at working surface height throughout the space.
- Restroom lighting shall be 30 foot candles measured at counter height and 20 foot candles measured at the floor in enclosed corridors.
- Dimmable incandescent recessed down lights shall be provided for conference/training rooms and reception areas.
- Emergency egress lighting as required by applicable life safety codes shall be provided throughout the entire space.

Walls

- Gypsum wall board, minimum thickness of ½" with studs at 16" on center, preferably 5/8" thick with studs at 24" center.
- Acoustical treatment in walls for all conference/meeting/training rooms.
- Walls to be finished with primer and two finish coats of paint, if specified or primer/sealer with 54" wide commercial grade vinyl wallcovering (18 oz. weight per square yard minimum).

Windows

- Blinds should be installed on all windows to meet building standards.

Doors

- Flush solid core.
- Minimum 3' -0" wide x 6' -8" high.
- ADA compliant lever hardware.
- Locks and closers provided as required in compliance with ADA.

Floor

- Finished floor to be level and clean, ready to receive carpet or resilient flooring.

Carpet

- Branded 100% nylon with minimum density of 6,000.
- Minimum face weight for carpet tiles to be 20 oz. per sq. yd.
- Minimum face weight for broadloom products to be 26 oz. per sq. yd.

Resilient Flooring

Acceptable:

- Vinyl Composition tile - 12" x 12", Armstrong, Tarkett, or equal.
- Ceramic Tile - thinset in 12" x 12" or 6" x 6" by Crossville or equal.

Vinyl Base

- Shall be 1/8" gauge x 4" high, cove profile in longest lengths possible, continuous roll preferred.

Casework

- To meet A.W.I. Standard for custom grade.
- High pressure plastic laminate on all exposed surfaces.
- To be designed and constructed to meet ADA codes.

Electrical Power

- 5 to 7.5 watt per square foot.

- Clean source power available, free of distortion and harmonics.

Sprinkler System

- Certified, compliant, fully operational sprinkler system to be provided to meet local building codes.

HVAC System

- Must allow for temperature maintenance of 68 degrees F with no relative humidity in winter and 74 degrees F with maximum of 55% relative humidity in summer months.
- Provide terminal device every 1,200 square feet.
- Fresh air exchange rates and CO2 levels shall comply with ASHRAE Ventilation Standard 62.

Exhaust System

- Required for all toilet facilities.

Drinking Fountains

- The Lessor shall provide a minimum of one (1) chilled water drinking ADA Compliant fountain on each floor. Travel from any part of the leased space to this water fountain must not exceed 150 feet.

Systems Furniture

If systems furniture is provided, it should meet the following requirements:

- Have steel frame panels with fiberglass aluminum acoustical barrier.
- Have a noise reduction coefficient (NRC) of at least .80.
- Offer a wide selection of components (in various sizes) such as worksurfaces, binder bins, shelves, drawer pedestals, task lighting, tackboards, keyboard trays/arms, etc.
- Be UL listed and approved and meet all applicable fire protection and life safety codes.
- Have adjustable height ability for work surfaces and "hang on" components.
- Have an eight wire, four circuit system which provides 3 circuits for convenience outlets and 1 clean circuit for computers.
- Capacity in panel raceways to handle forty 25-pair cables.

EXHIBIT F

CERTIFICATE OF LEASE COMMENCEMENT

This Certificate of Lease Commencement, dated _____ 20__, is entered into by and between SOUTHSIDE TRAINING, EMPLOYMENT AND PLACEMENT SERVICES, INC., dba STEPS, INC, as Landlord, and the COMMONWEALTH OF VIRGINIA, the Department of General Services, with occupancy by the Department of Rehabilitative Services, as Tenant, the parties to a certain Deed of Lease (the "Lease") demising certain premises (the "Premises") located in the Town of Farmville, Virginia, which are more fully described in said Lease dated April 1, 2006.

The undersigned Landlord and Tenant do hereby declare and confirm that the Tenant has accepted the Premises effective as of the ____ day of _____, 20__, and agree that the Initial Term of the Lease shall commence on the ____ day of _____, 20__, and expires on the ____ day of _____, 20__.

The undersigned do hereby further confirm that the Premises contain _____ square feet, more or less, of rentable floor area and that the annual rent shall be as specified in the Lease.

All other provisions in the Lease shall remain unchanged and in full force and effect [except that the dates of the option to renew (Section ____ of the Lease) shall be deemed modified in accordance with, and to comply with, the above agreed lease term].

Tenant does hereby declare and confirm that the work required by Landlord under the Lease has been completed by Landlord and accepted by Tenant and the undersigned do hereby declare and confirm that the Lease is in full force and effect.

LANDLORD: SOUTHSIDE TRAINING, EMPLOYMENT AND
PLACEMENT SERVICES, INC., dba STEPS, INC.

By: _____

DGS Expense Lease #30-515
October 16, 2001

LEASE NO. 262-L0154

Title: _____

TENANT: COMMONWEALTH OF VIRGINIA
Department of General Services

By: _____
Title: _____

Rider # 1 to the Deed of Lease dated April 1, 2006 between SOUTHSIDE TRAINING, EMPLOYMENT AND PLACEMENT SERVICES, INC., dba STEPS, INC, Landlord, and COMMONWEALTH OF VIRGINIA, Department of General Services, with occupancy by the Department of Rehabilitative Services, Tenant.

Refurbishment Required. At the commencement of lease year six (6) , Landlord shall, at Landlord's expense, paint all the interior walls of the Premises and professionally clean the carpeting with any needed repairs to the carpet made within 30 days of the commencement of the Option Term.

Rider # 2 to Deed of Lease dated April 1, 2006 between SOUTHSIDE TRAINING PLACEMENT SERVICES, INC., dba STEPS, INC., Landlord, and COMMONWEALTH OF VIRGINIA, Department of General Services, with occupancy by the Department of Rehabilitative Services, Tenant.

Security Systems and Devices. Tenant may, at its option, install or have installed an electronic security and alarm system, and other security devices, in the Premises. Tenant may provide any security and patrol services for the Premises as it deems appropriate. All security systems or services installed or provided by Tenant shall be at Tenant's sole expense. All electronic security devices, alarms or security equipment installed shall remain the property of Tenant, and may be removed from the Premises at the expiration of this Lease. Any damage caused by the removal of the security and alarm system and other security devices, other than nominal damage, shall be repaired by and at the sole expense of Tenant.

STEPS, INC.
BOARD OF DIRECTORS
FISCAL YEAR 2014 - 2015

EXECUTIVE COMMITTEE (2014-2015):

KEN PATTERSON, Chair

Victoria Town Manager
Post Office Box 33
2126 Poorhouse Road
Victoria, VA 23974
Work: (434) 696-2343
victm@victoriava.net

Cell: (434) 480-0722

Lunenburg
June, 2011 (2014)(2017)

WANDA BASS, Vice Chair

1504 Lee Drive
Farmville, VA 23901
Cell: (434) 547-2916
Wbass10@yahoo.com

Prince Edward
June, 2013 (2016)

TERESA STEWART, Treasurer

Benchmark Community Bank
P.O. Box 246
Farmville, VA 23901
Home: (434) 392-3830
TeresaS.Stewart@bcbonline.com

Work: (434) 392-9088

Cell: (434) 547-3296

Cumberland
June, 2008 (2011) (2014) (2017)

JENNIFER TOWNSEND, Secretary

11234 Five Forks Road
Farmville, VA 23901
Home: (434) 223-7582
junknjen@earthlink.net

Work: (434) 392-4469

Prince Edward
June, 2008 (2011)(2014)(2017)

TESSIE B. BACON, Attorney

1825 Afton Grove Road
Kenbridge, VA 23944
Cell: (434) 321-3750
tessiebbacon@gmail.com

Work: (434) 447-3128

Lunenburg
June, 2010 (2013)(2016)

FUNDING SOURCES AND USES

County Allocations: *Unrestricted*

- Amelia
- Appomattox
- Buckingham
- Charlotte
- Lunenburg
- Nottoway
- Prince Edward

United States Congressional Earmark – Funded through the United States Department of Education – ***Workforce Training and Workforce Development***

United States Department of Agriculture (USDA): Grants and low interest loans – ***Workforce Development and Economic Development***

Virginia Department of Housing and Community Development –

- Virginia Housing Solutions Program (VHSP) – ***Housing Services***
 - Prevention
 - Rapid Rehousing
 - Shelter
- Community Development Block Grants – ***Economic Development***

Virginia Department of Rail and Public Transit Services (DRPT): Section 5310 funding for the purchase of transportation vehicles

Virginia Department for Aging and Rehabilitative Services – *Workforce Development*

- Fee for Service (*Included is Appendix D is a listing of our service rates for FY2015*):
 - Extended Employment Services
 - Long Term Employment Support Services
 - Situational Assessments
 - Individual
 - Group
 - Work Adjustment Services
 - Supported Employment
 - Job Development
 - Individual Placement and Training
 - Group Options (Mobile Crew, Enclave)
 - Job Coach Training Services (JCTS)
 - Job Development
 - Individual Placement and Training
 - Long Term Follow Along (LTFA)
 - Offsite Employment
 - Onsite Employment
 - Transportation

- Round Trip
- One Way
- Senior Community Service Employment Program (SCSEP – Title V)

Departments of Social Services (Amelia, Appomattox, Buckingham, Charlotte, Cumberland, Lunenburg, Nottoway and Prince Edward Counties) – ***Workforce Development***

- Workplace Supports Program

Donations and Fundraising - *Unrestricted*

- STEPS is an approved *Neighborhood Assistance Program (NAP)* offered through the Virginia Department of Social Services
- United Way of Prince Edward County
- Push America (Journey of Hope)
- “*Shopping with a Cause...The Farmville Christmas Show*” (STEPS annual fundraising event)
- Individual, civic, faith and corporate donations

Lunenburg, Nottoway and Prince Edward Public Schools – *Workforce Development*

- Transitional Work Adjustment Training

Virginia Dominion Power *EnergyShare* Partner – *Housing Services*

- Amelia
- Buckingham
- Cumberland
- Lunenburg
- Nottoway
- Prince Edward

Virginia Housing and Development Authority (VHDA)

- Capacity Building Grant – ***Organizational Infrastructure Enhancements***

Business Line Revenue - *Unrestricted*

- Industrial Sewing Customers
 - Department of Defense
 - “Taaluma Totes”
 - “Puppy Bumpers”
- Recycling Customers
 - County Governments
 - Buckingham
 - Cumberland
 - Prince Edward
 - Town of Farmville
 - Private Citizens
 - Public Schools
- Secure Document Shredding
 - Internal Revenue Service (IRS)
 - Wells Fargo (200 locations throughout Virginia, North Carolina and West Virginia)
 - Benchmark Community Bank

- Department of Motor Vehicles
- Piedmont Geriatric Hospital
- Virginia Center for Behavioral Rehabilitation
- County/Municipal Governmental Offices
- Medical Offices and Insurance Companies
- Public Schools
- Attorneys

SOUTHSIDE TRAINING EMPLOYMENT PLACEMENT SERVICES, INC.

Farmville, Virginia

**FINANCIAL
STATEMENTS**

For the Year Ended
June 30, 2011 and 2010

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HILL & DAVIS, CPA, PC

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MEMBERS:
American Institute of Certified Public Accountants
Virginia Society of Certified Public Accountants

Independent Auditor's Report

To the Board of Directors of
Southside Training Employment
Placement Services, Inc.

We have audited the accompanying statements of financial positions of STEPS, Inc. (a nonprofit organization) as of June 30, 2011 and 2010, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of STEPS, Inc. as of June 30, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Hill & Davis, CPA, PC

Farmville, Virginia
September 26, 2011

SOUTHSIDE TRAINING EMPLOYMENT PLACEMENT SERVICES, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 28,255	\$ 135,041
Accounts receivable	358,376	280,643
Prepaid expenses	39,211	40,092
Inventory	<u>303,642</u>	<u>367,179</u>
TOTAL CURRENT ASSETS	729,484	822,955
PROPERTY AND EQUIPMENT	<u>1,180,612</u>	<u>1,305,242</u>
TOTAL ASSETS	<u>\$ 1,910,096</u>	<u>\$ 2,128,197</u>
LIABILITIES AND NET ASSETS		
Accounts payable	\$ 462,035	\$ 364,838
Accrued compensation expenses and other liabilities	55,198	30,918
Notes payable	<u>397,334</u>	<u>533,334</u>
TOTAL LIABILITIES	<u>914,567</u>	<u>929,090</u>
NET ASSETS		
Unrestricted	528,862	709,106
Temporarily Restricted	<u>466,667</u>	<u>490,001</u>
TOTAL NET ASSET	<u>995,529</u>	<u>1,199,107</u>
TOTAL LIABILITIES AND NET ASSET	<u>\$ 1,910,096</u>	<u>\$ 2,128,197</u>

The accompanying notes are an integral part of the financial statements.

SOUTHSIDE TRAINING EMPLOYMENT PLACEMENT SERVICES, INC.

Statements of Activities

For the Year Ended June 30, 2011

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUE, GAINS, AND OTHER SUPPORT			
Contributions-Direct	\$ 19,382	\$ -	\$ 19,382
Contributions-Indirect	102,641	-	102,641
Fundraising	97,768	-	97,768
Service Contracts	-	388,862	388,862
Grant Revenue		410,289	410,289
Production Sales	3,843,415	-	3,843,415
Interest income	183	-	183
Miscellaneous income	47,010	-	47,010
Gain on Sale of Property	9,800		9,800
Net assets released from restrictions:			
Restrictions satisfied by payments	<u>822,485</u>	<u>(822,485)</u>	<u>-</u>
TOTAL REVENUE, GAINS, AND OTHER SUPPORT	4,942,684	(23,334)	4,919,350
EXPENSES			
Production costs	4,035,622	-	4,035,622
General and administrative	1,008,906	-	1,008,906
Fund-raising	<u>78,400</u>	<u>-</u>	<u>78,400</u>
TOTAL EXPENSES	5,122,928	-	5,122,928
CHANGE IN NET ASSETS	(180,244)	(23,334)	(203,578)
NET ASSETS AT BEGINNING OF YEAR	<u>709,106</u>	<u>490,001</u>	<u>1,199,107</u>
NET ASSETS AT END OF YEAR	<u>\$ 528,862</u>	<u>\$ 466,667</u>	<u>\$ 995,529</u>

The accompanying notes are an integral part of the financial statements.

SOUTHSIDE TRAINING EMPLOYMENT PLACEMENT SERVICES, INC.

Statement of Activities

For the Year Ended June 30, 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUE, GAINS, AND OTHER SUPPORT			
Contributions-Direct	\$ 46,359	\$ -	\$ 46,359
Contributions-Indirect	102,641	-	102,641
Fundraising	38,704	-	38,704
Service Contracts	-	481,897	481,897
Grant Revenue	-	109,991	109,991
Production Sales	3,609,653	-	3,609,653
Interest income	56	-	56
Miscellaneous income	46,637	-	46,637
Gain on Sale of Property	705,452	-	705,452
Net assets released from restrictions:			
Restrictions satisfied by payments	<u>615,221</u>	<u>(615,221)</u>	<u>-</u>
TOTAL REVENUE, GAINS, AND OTHER SUPPORT	5,164,723	(23,333)	5,141,390
EXPENSES			
Production costs	3,849,621	-	3,849,621
General and administrative	962,405	-	962,405
Fund-raising	<u>16,817</u>	<u>-</u>	<u>16,817</u>
TOTAL EXPENSES	4,828,843	-	4,828,843
CHANGE IN NET ASSETS	335,880	(23,333)	312,547
NET ASSETS AT BEGINNING OF YEAR	<u>373,226</u>	<u>513,334</u>	<u>886,560</u>
NET ASSETS AT END OF YEAR	<u>\$ 709,106</u>	<u>\$ 490,001</u>	<u>\$ 1,199,107</u>

The accompanying notes are an integral part of these financial statements.

SOUTHSIDE TRAINING EMPLOYMENT PLACEMENT SERVICES, INC.
STATEMENTS OF CASH FLOWS
For the Years ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (Decrease) in net assets	\$ (203,578)	\$ 312,547
Adjustments to reconcile decrease in net assets to net cash provided (used) in operating activities:		
Depreciation and amortization	206,427	177,261
Gain on Sale of Property	(9,800)	(705,451)
(Increase) Decrease in prepaid expenses	881	(16,114)
(Increase) Decrease in accounts receivable	(77,733)	11,209
(Increase) Decrease in inventory	63,537	141,469
(Decrease) Increase in accounts payable	97,197	208,273
(Decrease) Increase in accrued expenses and other liabilities	<u>24,280</u>	<u>(87,144)</u>
NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES	101,211	42,050
CASH FLOWS FROM INVESTING ACTIVITIES		
Sales of Property	9,800	768,000
Purchases of property and equipment	<u>(81,797)</u>	<u>(294,354)</u>
NET CASH PROVIDED/(USED) BY INVESTING ACTIVITIES	(71,997)	473,646
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	22,000	349,750
Loan repayment	<u>(158,000)</u>	<u>(921,353)</u>
NET CASH (USED) BY FINANCING ACTIVITIES	<u>(136,000)</u>	<u>(571,603)</u>
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	(106,786)	(55,907)
CASH AND CASH EQUIVALENTS, beginning of year	<u>135,041</u>	<u>190,948</u>
CASH AND CASH EQUIVALENTS, End of year	<u>\$ 28,255</u>	<u>\$ 135,041</u>
Supplemental disclosure:		
Interest paid	\$ 23,960	\$ 67,481

The accompanying notes are an integral part of the financial statements.

SOUTHSIDE TRAINING EMPLOYMENT PLACEMENT SERVICES, INC.

Notes to Financial Statements

June 30, 2011 and 2010

1. Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities:

Southside Training Employment Placement Services, Inc. is a private nonprofit corporation under section 501(c)(3) of the Internal Revenue Code. The corporation is engaged in providing job training and employment opportunities for people with disabilities, through their sewing production contracts and recycling activities in Farmville, Virginia and Victoria, Virginia.

Basis of Accounting:

The financial statements have been prepared on the accrual basis of accounting accordingly reflect all significant receivables, payables and other liabilities.

Financial Statement Presentation:

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Cash and Cash Equivalents:

For purposes of the Statements of Cash Flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Accounts Receivable:

Accounts receivable are stated at unpaid balances. It is the Organization's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. The organizations' main customer is the Federal Government, therefore there has not been a need for an allowance for doubtful accounts.

Donated Services:

No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. However, many individuals

volunteer their time and perform a variety of tasks that assist the Organization with specific assistance programs, campaign solicitations, and various committee assignments.

Income Recognition:

Income is derived from several activities including job training and transportation, grants, contributions and sales of manufactured products. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the absence or existence and nature of any donor restrictions.

Inventories:

Inventories are stated at cost determined by the first-in, first-out method.

Property and Depreciation:

The Organization capitalizes all property and equipment with a cost of \$500. Purchased assets are recorded at cost. Assets acquired other than by purchase are recorded at their fair market value as of the date of acquisition. The Corporation provides for depreciation on the straight-line method over the useful lives for the various classes of property and equipment ranging from five to thirty years. Any major asset renovations are capitalized and depreciated.

Income Taxes:

The Organization is a not-for-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

2. Restrictions on Net Assets

Temporary restrictions on net assets at June 30, 2011 and 2010 represent the net book value of the Craddock Terry Building which is encumbered until the scheduled payoff of the deed of trust in March of 2021.

3. Property and Equipment

Property and Equipment consist of the following:

	<u>2011</u>	<u>2010</u>
Land	\$ 15,852	\$ 15,852
Buildings and improvements	1,595,755	1,577,954
Furniture and equipment	1,036,527	994,793
Vehicles	473,942	490,510
Contracts	<u>21,500</u>	<u>21,500</u>
	3,143,576	3,100,609
Accumulated Depreciation	<u>1,962,964</u>	<u>1,795,367</u>
	<u>\$ 1,180,612</u>	<u>\$ 1,305,242</u>

Depreciation expense for the years ending June 30, 2011 and June 30, 2010, were \$206,427 and \$177,261 respectively. The Virginia Department of Rehabilitative Services holds \$22,262 and \$173,297 respectively in liens against various equipment items that the agency has funded. These liens will be removed once the equipment is determined to be worthless. Purchases of equipment for June 30, 2011 and June 30, 2010 were \$81,796 and \$294,354, respectively. Retirements of assets for June 30, 2011 and June 30, 2010 were \$38,830 and \$62,549, respectively.

4. Notes Payable

	<u>2011</u>	<u>2010</u>
Line of Credit at Bank of Charlotte County, original amount of \$400,000 at 6.25%, secured by government contracts, due February 7, 2012.	397,334	383,334
Bridge loan with county of Prince Edward, original amount Of \$150,000.	<u>-</u>	<u>150,000</u>
	<u>\$ 397,334</u>	<u>\$ 533,334</u>

Future scheduled maturities of notes payable are as follows:

Year ending June 30,	
2012	<u>\$ 397,334</u>

Cash payments for interest totaled \$23,960 and \$67,481 for the years ended June 30, 2011 and 2010, respectively.

5. Leases-Lessees

The Corporation has operating leases for equipment and real estate that expire at various dates through June 30, 2014. Rental expenses for these leases consisted of \$37,489 and \$15,900 for the years ended June 30, 2011 and 2010, respectively. Future minimum lease payments under operating leases that have remaining terms in excess of one year as of June 30, 2011 are:

Year ending June 30,	
2012	\$ 17,180
2013	13,380
2014	<u>13,380</u>
	<u>\$ 43,940</u>

6. Leases-Lessors

Operating lease commitments. The corporation leases out office space under an operating lease with a five year term. The following is a schedule of future minimum rentals to be received under the lease as of June 30, 2011.

Year ending June 30,

2012

\$ 9,807

7. Subsequent Events

Management has evaluated subsequent events through September 26, 2011, the date which the financial statements were available to be issued.

8. Restricted Funds

The Corporation receives revenue from the Virginia Department of Rehabilitative Services and Virginia Department of Social Services for job training and job placement activities. These programs are accounted for in the financial statements as temporarily restricted funds.

Restrictive Debt Covenant

The county of Prince Edward has secured a \$400,000 deed of trust against the Craddock Terry building for twenty years which will remain unsatisfied as long as STEPS, Inc. does not sell the property. Should STEPS, Inc. sell the property within the twenty year period ending March 21, 2021, the full \$400,000 deed of trust will be due. At the end of the twenty year holding period, the deed of trust will be released without obligation if STEPS, Inc. still owns the building. The book value of this building is accounted for in the financial statements as temporarily restricted funds.

SOUTHSIDE TRAINING EMPLOYMENT PLACEMENT SERVICES, INC.

Farmville, Virginia

**FINANCIAL
STATEMENTS**

For the Year Ended
June 30, 2012 and 2011

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HILL & DAVIS, CPA, PC

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1-800-326-2015

MEMBERS:
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Virginia Society of Certified Public Accountants

Independent Auditor's Report

To the Board of Directors of
Southside Training Employment
Placement Services, Inc.

We have audited the accompanying statements of financial positions of STEPS, Inc. (a nonprofit organization) as of June 30, 2012 and 2011, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of STEPS, Inc. as of June 30, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Hill & Davis, CPA, PC

Farmville, Virginia
October 18, 2012

SOUTHSIDE TRAINING EMPLOYMENT PLACEMENT SERVICES, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 239,356	\$ 28,255
Accounts receivable	170,762	358,376
Prepaid expenses	22,800	39,211
Inventory	<u>284,967</u>	<u>303,642</u>
TOTAL CURRENT ASSETS	717,885	729,484
PROPERTY AND EQUIPMENT	<u>2,107,155</u>	<u>1,180,612</u>
TOTAL ASSETS	<u>\$ 2,825,040</u>	<u>\$ 1,910,096</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 1,033,846	\$ 462,035
Accrued compensation expenses and other liabilities	92,944	55,198
Notes payable-current portion	<u>417,368</u>	<u>397,334</u>
TOTAL CURRENT LIABILITIES	<u>1,544,158</u>	<u>914,567</u>
LONG TERM LIABILITIES		
Notes payable-long term portion	38,220	-
NET ASSETS		
Unrestricted	(192,856)	528,862
Temporarily Restricted	<u>1,435,518</u>	<u>466,667</u>
TOTAL NET ASSET	<u>1,242,662</u>	<u>995,529</u>
TOTAL LIABILITIES AND NET ASSET	<u>\$ 2,825,040</u>	<u>\$ 1,910,096</u>

The accompanying notes are an integral part of the financial statements.

SOUTHSIDE TRAINING EMPLOYMENT PLACEMENT SERVICES, INC.
Statement of Activities
For the Year Ended June 30, 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUE, GAINS, AND OTHER SUPPORT			
Contributions-Direct	\$ 28,330	\$ -	\$ 28,330
Contributions-Indirect	101,552	1,009,002	1,110,554
Fundraising	84,216	-	84,216
Service Contracts	-	349,478	349,478
Grant Revenue	-	93,841	93,841
Production Sales	3,820,213	-	3,820,213
Interest income	178	-	178
Miscellaneous income	151,662	-	151,662
Gain on Sale of Property	-	-	-
Net assets released from restrictions:			
Restrictions satisfied by payments	<u>483,470</u>	<u>(483,470)</u>	<u>-</u>
 TOTAL REVENUE, GAINS, AND OTHER SUPPORT	 4,669,621	 968,851	 5,638,472
EXPENSES			
Production costs	4,279,669	-	4,279,669
General and administrative	1,069,917	-	1,069,917
Fund-raising	<u>41,753</u>	<u>-</u>	<u>41,753</u>
 TOTAL EXPENSES	 5,391,339	 -	 5,391,339
 CHANGE IN NET ASSETS	 (721,718)	 968,851	 247,133
 NET ASSETS AT BEGINNING OF YEAR	 <u>528,862</u>	 <u>466,667</u>	 <u>995,529</u>
 NET ASSETS AT END OF YEAR	 <u>\$ (192,856)</u>	 <u>\$ 1,435,518</u>	 <u>\$ 1,242,662</u>

The accompanying notes are an integral part of these financial statements.

SOUTHSIDE TRAINING EMPLOYMENT PLACEMENT SERVICES, INC.
Statements of Activities
For the Year Ended June 30, 2011

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUE, GAINS, AND OTHER SUPPORT			
Contributions-Direct	\$ 19,382	\$ -	\$ 19,382
Contributions-Indirect	102,641	-	102,641
Fundraising	97,768	-	97,768
Service Contracts	-	388,862	388,862
Grant Revenue		410,289	410,289
Production Sales	3,843,415	-	3,843,415
Interest income	183	-	183
Miscellaneous income	47,010	-	47,010
Gain on Sale of Property	9,800		9,800
Net assets released from restrictions:			
Restrictions satisfied by payments	<u>822,485</u>	<u>(822,485)</u>	<u>-</u>
 TOTAL REVENUE, GAINS, AND OTHER SUPPORT	 4,942,684	 (23,334)	 4,919,350
EXPENSES			
Production costs	4,035,622	-	4,035,622
General and administrative	1,008,906	-	1,008,906
Fund-raising	<u>78,400</u>	<u>-</u>	<u>78,400</u>
 TOTAL EXPENSES	 5,122,928	 -	 5,122,928
 CHANGE IN NET ASSETS	 (180,244)	 (23,334)	 (203,578)
 NET ASSETS AT BEGINNING OF YEAR	 <u>709,106</u>	 <u>490,001</u>	 <u>1,199,107</u>
 NET ASSETS AT END OF YEAR	 <u>\$ 528,862</u>	 <u>\$ 466,667</u>	 <u>\$ 995,529</u>

The accompanying notes are an integral part of the financial statements.

SOUTHSIDE TRAINING EMPLOYMENT PLACEMENT SERVICES, INC.
STATEMENTS OF CASH FLOWS
For the Years ended June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (Decrease) in net assets	\$ 247,133	\$ (203,578)
Adjustments to reconcile decrease in net assets to net cash provided (used) in operating activities:		
Depreciation and amortization	220,479	206,427
Gain on Sale of Property	-	(9,800)
(Increase) Decrease in prepaid expenses	16,412	881
(Increase) Decrease in accounts receivable	187,614	(77,733)
(Increase) Decrease in inventory	18,675	63,537
(Decrease) Increase in accounts payable	571,810	97,197
(Decrease) Increase in accrued expenses and other liabilities	<u>37,746</u>	<u>24,280</u>
NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES	1,299,869	101,211
CASH FLOWS FROM INVESTING ACTIVITIES		
Sales of Property	-	9,800
Purchases of property and equipment	<u>(1,147,022)</u>	<u>(81,797)</u>
NET CASH PROVIDED/(USED) BY INVESTING ACTIVITIES	(1,147,022)	(71,997)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	455,588	22,000
Loan repayment	<u>(397,334)</u>	<u>(158,000)</u>
NET CASH (USED) BY FINANCING ACTIVITIES	<u>58,254</u>	<u>(136,000)</u>
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	211,101	(106,786)
CASH AND CASH EQUIVALENTS, beginning of year	<u>28,255</u>	<u>135,041</u>
CASH AND CASH EQUIVALENTS, End of year	<u>\$ 239,356</u>	<u>\$ 28,255</u>
Supplemental disclosure:		
Interest paid	\$ 24,033	\$ 23,960

The accompanying notes are an integral part of the financial statements.

SOUTHSIDE TRAINING EMPLOYMENT PLACEMENT SERVICES, INC.

Notes to Financial Statements

June 30, 2012 and 2011

1. Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities:

Southside Training Employment Placement Services, Inc. is a private nonprofit corporation under section 501(c)(3) of the Internal Revenue Code. The corporation is engaged in providing job training and employment opportunities for people with disabilities, through their sewing production contracts and recycling activities in Farnville, Virginia and Victoria, Virginia.

Basis of Accounting:

The financial statements have been prepared on the accrual basis of accounting accordingly reflect all significant receivables, payables and other liabilities.

Financial Statement Presentation:

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Cash and Cash Equivalents:

For purposes of the Statements of Cash Flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Accounts Receivable:

Accounts receivable are stated at unpaid balances. It is the Organization's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. The organizations' main customer is the Federal Government, therefore there has not been a need for an allowance for doubtful accounts.

Donated Services:

No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. However, many individuals

volunteer their time and perform a variety of tasks that assist the Organization with specific assistance programs, campaign solicitations, and various committee assignments.

Income Recognition:

Income is derived from several activities including job training and transportation, grants, contributions and sales of manufactured products. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the absence or existence and nature of any donor restrictions.

Inventories:

Inventories are stated at cost determined by the first-in, first-out method.

Property and Depreciation:

The Organization capitalizes all property and equipment with a cost of \$500. Purchased assets are recorded at cost. Assets acquired other than by purchase are recorded at their fair market value as of the date of acquisition. The Corporation provides for depreciation on the straight-line method over the useful lives for the various classes of property and equipment ranging from five to thirty years. Any major asset renovations are capitalized and depreciated.

Income Taxes:

The Organization is a not-for-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

2. Restrictions on Net Assets

Temporary restrictions on net assets at June 30, 2012 and 2011 represent the net book value of the Craddock Terry Building which is encumbered until the scheduled payoff of the deed of trust in March of 2021.

3. Property and Equipment

Property and Equipment consist of the following:

	<u>2012</u>	<u>2011</u>
Land	\$ 15,852	\$ 15,852
Buildings and improvements	2,604,757	1,595,755
Furniture and equipment	1,127,666	1,036,527
Vehicles	520,823	473,942
Contracts	<u>21,500</u>	<u>21,500</u>
	4,290,598	3,143,576
Accumulated Depreciation	<u>2,183,443</u>	<u>1,962,964</u>
	<u>\$ 2,107,155</u>	<u>\$ 1,180,612</u>

Depreciation expense for the years ending June 30, 2012 and June 30, 2011, were \$220,479 and \$206,427 respectively. The Virginia Department of Rehabilitative Services holds \$64,260 and \$176,673 respectively in liens against various equipment items that the agency has funded. These liens will be removed once the equipment is determined to be worthless. Additions of building and equipment for June 30, 2012 and June 30, 2011 were \$1,147,022 and \$81,796, respectively. Retirements of assets for June 30, 2012 and June 30, 2011 were \$0 and \$38,830, respectively.

4. Notes Payable

	<u>2012</u>	<u>2011</u>
Line of Credit at Bank of Charlotte County, original amount of \$413,000 at 6.00%, secured by government contracts, due January 23, 2013.	413,000	397,334
USDA Loan, original amount \$51,140 at 3.75% for 10 years.	<u>42,588</u>	<u>-</u>
	<u>\$ 455,588</u>	<u>\$ 397,334</u>

Future scheduled maturities of notes payable are as follows:

Year ending June 30,	
2013	\$ 417,368
2014	4,534
2015	4,707
2016	4,886
2017	5,073
Thereafter	<u>19,020</u>
	<u>\$ 455,588</u>

Cash payments for interest totaled \$24,033 and \$23,960 for the years ended June 30, 2012 and 2011, respectively.

5. Leases-Lesseees

The Corporation has operating leases for equipment and real estate that expire at various dates through November 30, 2018. Rental expenses for these leases consisted of \$114,340 and \$37,489 for the years ended June 30, 2012 and 2011, respectively. Future minimum lease payments under operating leases that have remaining terms in excess of one year as of June 30, 2012 are:

Year ending June 30,	
2013	\$ 90,570
2014	85,470
2015	53,885
2016	45,510
2017	45,510
Thereafter	<u>54,568</u>
	<u>\$ 375,513</u>

6. Leases-Lessors

Operating lease commitments. The corporation leases out office space under an operating lease with a five year term. The following is a schedule of future minimum rentals to be received under the lease as of June 30, 2012.

Year ending June 30,	
2013	\$ 24,128
2014	24,491
2015	24,858
2016	<u>25,231</u>
	<u>\$ 98,708</u>

7. Subsequent Events

Management has evaluated subsequent events through October 18, 2012, the date which the financial statements were available to be issued.

8. Restricted Funds

The Corporation receives revenue from the Virginia Department of Rehabilitative Services and Virginia Department of Social Services for job training and job placement activities. These programs are accounted for in the financial statements as temporarily restricted funds.

Restrictive Debt Covenant

The county of Prince Edward has secured a \$400,000 deed of trust against the Craddock Terry building for twenty years which will remain unsatisfied as long as STEPS, Inc. does not sell the property. Should STEPS, Inc. sell the property within the twenty year period ending March 21, 2021, the full \$400,000 deed of trust will be due. At the end of the twenty year holding period, the deed of trust will be released without obligation if STEPS, Inc. still owns the building. The book value of this building is accounted for in the financial statements as temporarily restricted funds.

The county of Prince Edward secured grant money through the Department of Mines, Minerals, and Energy for STEPS, Inc. in the amount of \$1,009,002 to replace the roof and HVAC system in the Craddock Terry Building. Because the building is encumbered by the county until March 21, 2021, the book value of the assets used to improve the building are also accounted for in the financial statements as temporarily restricted funds. After 2021, the remaining book value of these assets will no longer be temporarily restricted.

9. Going Concern

As shown in the accompanying financial statements, the Organization has incurred significant losses in 2012, and as of June 30, 2012, only had cash and cash equivalents sufficient to support operations for several months. These factors raise substantial doubt about the Organization's ability to continue as a going concern. Management has instituted a cost reduction plan that includes maintaining a reduced level of staffing expenses and developing additional funding from new and existing funding sources. Management believes these factors will contribute to achieving profitability. The accompanying financial statements do not include any adjustments that might be necessary if the Organization is unable to continue as a going concern.

STEPS
Incorporated



Where a Job can Change a Life

Annual Report 2012-2013



Leslie Cook spends her days sewing bags for Taaluma Totes. Even with disabilities of her own, she chooses to work... and her work touches those close to her and around the world.

Stepping Out of the Box

*Reaching our community and around the world
... Where a Job Can Change a Life*



Reaching out into our Community and Around the World

“What an amazing year STEPS has had! We are stepping outside of the box to help a diverse group of people in our community and around the world.”

Many of you know our 30 year history of providing jobs to citizens with disabilities. As you will read in this annual report, the impact we are having on our community goes far beyond the services provided to citizens living with disabilities. We know our strengths and are responding to the call to use those strengths to positively impact other citizens in need in our communities.

We are excited and challenged by this expansion and would love your support! If you would like more information... if you would like to be a part of these new endeavors... if you would like to support these initiatives through monetary support, please contact me. It's going to be a true “paradigm shift!”

**– Sharon L. Harrup,
CEO & President**

Annual Report 2012-2013

STEPS, Inc. 225 Industrial Park Road, Farmville, VA 23901

STEPS, Inc. is a 501 (c) 3 not-for-profit corporation. • CARF Accredited

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Photo by Michael Shroyer for The Roanoke Times

Backpacks Give Back

Jack DuFour and Alley Heffern, Virginia Tech graduates, run a backpack company they call Taaluma Totes. Taaluma (pronounced ta-LOOM-a) is the Swahili word for culture. A bag costs \$65, but 40 percent of that goes toward a good cause. Some is sent back to the country where Taaluma buys the fabric. Another part goes to STEPS who manufactures the bags.

The brand offers three patterns, all of which are brightly colored and splashed with unusual designs. Each is made from traditional fabric from a different country: “Giddy Ghana,” “Infectious

Indonesia” and “Kwirky Kenya.” Ten percent of each sale is donated back as microloans to the countries where the fabric is made. Taaluma recently sent out

“STEPS has been fantastic to work with. We spent several months seeking a manufacturer for our totes and just when we were questioning if the ‘right place’ was anywhere to be found, we set up a meeting with STEPS. We knew from that day forward that this was the place for us. They’ve been incredible every step of the way – going out of their way to accommodate us. We’ve enjoyed the personal connection we’ve developed with the people. It’s clear that they care about what they’re doing and this really comes across in the quality of their products.” – Jack DuFour

its first microloans totaling \$500 to cover its obligation from its first few sales. On the southern coast of Ghana, a woman named Esi received money so she could buy salt to sell at a local market. In Indonesia, an artist named Gung received money to buy more sculpture supplies. Even years down the line, Taaluma hopes these donations will be reinvest-

ed and “start a cycle that lasts way longer than just that one first impact,” DuFour said.

Adapted from The Roanoke Times



Workplace Supports Program

The Workplace Supports Program is designed to provide case management and other support services to individuals receiving Temporary Aid to Needy Families (TANF) who are in search of employment. Program participants are assigned a case manager who works with them to identify and remediate their barriers to employment and assist them with job search. Removing barriers that often seem insurmountable can mean the difference between feeling trapped by the situation and feeling empowered to change it.

In August, 2007, **David Mathis** entered the Workplace Supports Program and began working with Teresa Toombs, STEPS Case Manager. David was a single parent

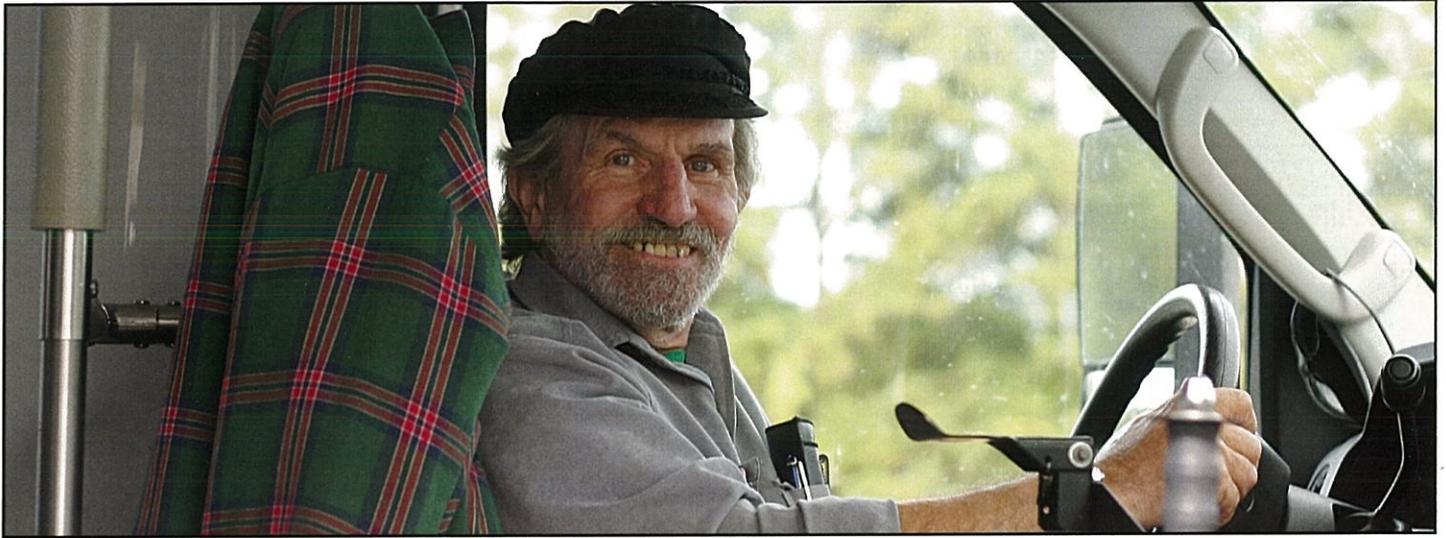
with a school aged son. He had worked in the past, but was having difficulty obtaining steady employment that could support his family.

“Teresa helped find me jobs that I had not been able to find on my own. I am grateful for her help and proud to say I’m still employed. Teresa and STEPS made a big difference for my family.” - David Mathis

The STEPS Workplace Supports Program has helped over 1,000 individuals obtain employment. David, like other program participants, wanted to work. He just needed someone who could help him identify his work-related barriers and provide assistance to remove them.

The next step was to connect him with employment opportunities that would meet his needs and skills.

David did the difficult part – he got the job!



Senior Community Service Employment Program

Building on our experience in workforce development, STEPS is now putting our skill set to use working with neighbors 55 years of age and older. The primary goal of the Senior Community Service Employment Program (Title V) is to provide an opportunity to sharpen existing and learn new employment related work skills.

This program, funded through a contract with the Virginia Department of Aging and Rehabilitative Services (DARS), uses funds from the United States

Department of Labor to place eligible participants in not-for-profit and government agencies where they are provided training and real work experiences. Securing competitive employment is the ultimate goal. **Charles Wood** entered the Title V program in 2010 and began his training at the Habitat Re-Store in Farmville. In

September, 2012, STEPS offered Charles a position as a member of our transportation team. And as they say, “the rest is history.”

I really enjoyed the program. They teach you a lot of things – you learn something new every-day. The training gives you skills for different jobs. – Charles Wood

Diversification

For over 30 years STEPS has designed service delivery systems to meet the needs of at risk citizens living in our communities - including persons with physical and mental disabilities and persons living in poverty with other significant barriers. The philosophy behind STEPS' success has been built on responding to the needs in the community by relying on a network of partners to develop a strategy to meet those needs.

Historically our focus has been workforce development, serving individuals with disabilities. This focus strategically expanded in 1997 when we added services to individuals living in poverty who struggle with multiple barriers. Most recently, STEPS added the Senior

Community Service Employment Program (Title V) to our provision of services. Just this year, we added homelessness prevention services, funded through the Virginia Department of Housing and Community Development (DHCD), to our menu of services being provided to citizens in our communities.

“STEPS has a track record of being able to adapt strategically to change. We have a reputation of being forthright, transparent and able to deliver. Although STEPS' past 30 years have been filled with successes, we have our sights set on another 30 years of growth and successfully meeting the needs of citizens in our region.”

– Sharon L. Harrup



The STEPS Leadership Team includes: Ryan Follett, Betty Hurt, Dalton Elder, and Mary Lloyd.

Leadership Team

It is often said that out of a crisis comes positive change and STEPS has scars to prove it! When the Army decided to change its jacket design and require an insect repellent treatment, STEPS did not have the financial resources to meet the requirement.

With the assistance of **Congressman Robert Hurt**, STEPS secured a contract to manufacture jackets for the Air Force. Although this new contract resulted in lower volume and a smaller profit margin, the Victoria training and manufacturing site remains open. We could not have predicted that the transition from one jacket design to another would cause the financial losses we experienced.

Through this challenging time, it became apparent that the old way of doing business, “top down management” was not working. This crisis mandated a

new way of doing business - **“leadership vs supervision.”** This new concept would empower every employee to become active participants in the daily decision making processes and would be led by a self-directed Leadership Team responsible for every aspect of the business model. The development of the leadership concept was nurtured through many weeks of facilitation by STEPS Board member, **Peter Kapuscinski**. Top down assessments were completed, goals and objectives were established to ensure the continuation of what was working and to guide the teams of production employees toward improvements in other areas.

Although the financial losses impacted STEPS greatly this year, we feel confident the new leadership model is going to ensure financial stability, quality processes and increased employee satisfaction.

STEPS, Inc. STATEMENT OF FINANCIAL POSITION

As of June 30, 2013

ASSETS

CURRENT ASSETS

Cash	69,346.18
Prepaid Insurance	57,405.28
Prepaid Expense	4,964.12
Accounts Receivable	232,485.30
Inventory	139,189.94
TOTAL CURRENT ASSETS	503,390.82

PROPERTY & EQUIPMENT

Land	15,851.50
Buildings & Improvements	2,604,756.89
Office Furniture & Equipment	1,184,892.42
Vehicles	417,979.04
Service Contracts	21,500.00
Less Accumulated Depreciation	(2,281,312.32)
TOTAL PROPERTY & EQUIPMENT	1,963,667.53

TOTAL ASSETS

2,467,058.35

LIABILITIES & FUND BALANCES

CURRENT LIABILITIES

Accounts Payable	301,531.86
Other Payables	27,411.44
Accrued Expenses	67,136.00
Short Term Notes Payable	1,166,935.98
TOTAL CURRENT LIABILITIES	1,563,015.28

BEGINNING FUND BALANCE

1,242,661.83

CURRENT YEAR INCOME (LOSS)

(338,618.76)

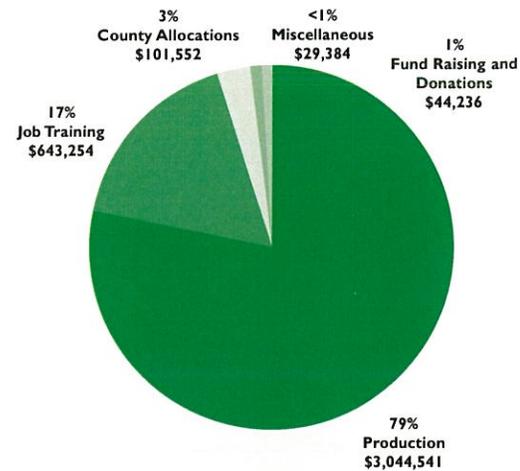
TOTAL FUND BALANCES

904,043.07

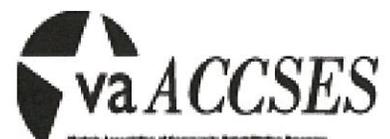
TOTAL LIABILITIES & FUND BALANCE

2,467,058.35

Revenue for Fiscal Year Ending June 30, 2013



Affiliations and Memberships



Thanks to our Supporters

This list includes individuals, businesses and organizations that made monetary contributions between July 1, 2012 and June 30, 2013.

INDIVIDUAL DONATIONS

Beverly and Linward Ayers
Susan and George Bagby, Jr.
Jerome S. Barber
Jim Bennett
Rebecca and Ernest Bowling, Jr.
Pamela Butler
Susan B. Chalfant
Nellie M. Coles
Nancy C. Conner
Joyce Daniel
Karen Dragotta
Linda and Pete Ellington, Jr.
Payton Ellixson
Seth Ellixson
Joyce and William Fore, Jr.
Anita H. Garland
Dr. James B. Gates, Jr.
Beth and James Gray
Charlotte R. Green
Anne C. Hamlett
Susie Hampton
Shelia Harper
Louise and John Harrup
Sharon L. Harrup
R. K. Hubbard, Jr.
Cheryl and Dieter Jochum
Edward R. Kromer
Robin S. McLane

Melissa R. Mayton
Deborah S. Moore
LaVerne Moore
Joseph F. Morrissette
Dr. Anthony J. Munoz
David L. Myers
Darlene and William Nash
Marilyn and Richard Osborn
Jean Wootton Payne
Patty and Sumner Pugh, Jr.
Myra H. Quicke
J. Thomas Reynolds
Larry Roach
Ellery Sedgwick
William A. Shear
JoAnn and Bobby Showalter
Peter Smith
Charles F. Squires
Sarah and Cary Stokes
Sharon Emerson-Stonnell
Sheryl D. Swinson
Billy Sydnor
Sally B. Thompson
Teresa and Manuel Toombs, Jr.
Patricia Tucker
John H. Varner, Jr.
Thomas V. Warren
William L. Wellons
Shirley M. Wilkins
Bettye A. Williams

BUSINESS AND ORGANIZATION DONATIONS

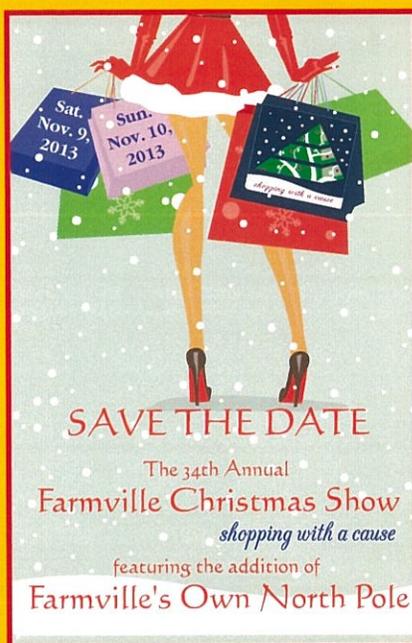
100 Women Who Care about Southside
Access Realty, LLC
Blackstone Ruritan Club
Cumberland Masonic Lodge #283 A.F. & A.M.
Eureka Baptist Church
Farmville Lions Club
Glenn E. Barbour, P.C.
Helton House, Inc.
Mainly Clay, LLC
Personal Adornments
Prince Edward County Republican Party
Southside Electric Cooperative
Woman's Club of Cumberland
Woman's Club of Farmville

*NAP DONORS

Dr. Ryan H. Fitzgerald
Kyanite Mining Corporation
Sally and James Wilkerson

The Neighborhood Assistance Program (NAP) uses state income tax credits as incentives for individuals and businesses to invest directly in certain approved community projects designed to benefit impoverished people. In return for an individual's contribution of cash or marketable securities and businesses' contribution of cash, goods, or professional services to approved organizations, donors receive a tax credit equaling 40% of the value of their contribution that they may apply against their state income tax liability.

Every effort has been made to ensure the accuracy of this list. We apologize for any errors or omissions.
Please send inquiries to: Cynthia A. Saunders 434.315.5909 or csaunders@STEPS-inc.org



MISSION

To Provide Jobs for Persons with Disabilities

Total number of persons with barriers to employment served: 276

Total number of STEPS employees with disabilities: 64

Total wages earned by STEPS employees: \$1,742,966.05

BOARD OF DIRECTORS

Patricia Tucker, *Chair*,

Charlotte County

Teresa Stewart, *Vice Chair*,

Cumberland County

Jennifer Townsend, *Secretary*,

Prince Edward County

Ken Patterson, *Treasurer*,

Lunenburg County

Bonnie Swanson, Appomattox County

Tessie Bacon, Lunenburg County

Kim Barbour, Mecklenburg County

Peter Kapuscinski, Buckingham County

STEPS, Inc. 225 Industrial Park Road, Farmville, VA 23901

STEPS, Inc. is a 501 (c) 3 not-for-profit corporation. • CARF Accredited

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SOUTHSIDE TRAINING EMPLOYMENT PLACEMENT SERVICES, INC.

Farmville, Virginia

**FINANCIAL
STATEMENTS**

For the Year Ended

June 30, 2013 and 2012

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HILL & DAVIS, CPA, PC

CERTIFIED PUBLIC ACCOUNTANTS
Thomas I. Hill, CPA, CFP™
Teresa D. Davis, CPA

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Farmville, VA 23901
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Fax: (434) 392-3667
1-800-326-2015

MEMBERS:
American Institute of Certified Public Accountants
Virginia Society of Certified Public Accountants

Independent Auditor's Report

To the Board of Directors of
Southside Training Employment
Placement Services, Inc.

We have audited the accompanying statements of financial positions of STEPS, Inc. (a nonprofit organization) as of June 30, 2013 and 2012, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of STEPS, Inc. as of June 30, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Hill & Davis, CPA, PC

Farmville, Virginia
October 4, 2013

SOUTHSIDE TRAINING EMPLOYMENT PLACEMENT SERVICES, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 69,346	\$ 239,356
Accounts receivable	274,594	170,762
Prepaid expenses	22,598	22,800
Inventory	<u>139,190</u>	<u>284,967</u>
TOTAL CURRENT ASSETS	505,728	717,885
 PROPERTY AND EQUIPMENT	 <u>1,963,668</u>	 <u>2,107,155</u>
TOTAL ASSETS	<u>\$ 2,469,396</u>	<u>\$ 2,825,040</u>
 LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 305,086	\$ 1,033,846
Accrued compensation expenses and other liabilities	109,822	92,944
Notes payable-current portion	<u>492,898</u>	<u>417,368</u>
TOTAL CURRENT LIABILITIES	<u>907,806</u>	<u>1,544,158</u>
 LONG TERM LIABILITIES		
Notes payable-long term portion	600,773	38,220
 NET ASSETS		
Unrestricted	(417,735)	(192,856)
Temporarily Restricted	<u>1,378,552</u>	<u>1,435,518</u>
TOTAL NET ASSET	<u>960,817</u>	<u>1,242,662</u>
TOTAL LIABILITIES AND NET ASSET	<u>\$ 2,469,396</u>	<u>\$ 2,825,040</u>

The accompanying notes are an integral part of the financial statements.

SOUTHSIDE TRAINING EMPLOYMENT PLACEMENT SERVICES, INC.

Statements of Activities

For the Year Ended June 30, 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUE, GAINS, AND OTHER SUPPORT			
Contributions-Direct	\$ 76,386	\$ -	\$ 76,386
Contributions-Indirect	101,552	-	101,552
Fundraising	17,852	-	17,852
Service Contracts	-	411,875	411,875
Grant Revenue	-	35,000	35,000
Production Sales	2,927,116	-	2,927,116
Interest income	159	-	159
Miscellaneous income	488,354	-	488,354
Gain on Sale of Property	12,770	-	12,770
Net assets released from restrictions:			
Restrictions satisfied by payments	<u>503,841</u>	<u>(503,841)</u>	<u>-</u>
 TOTAL REVENUE, GAINS, AND OTHER SUPPORT	 4,128,030	 (56,966)	 4,071,064
EXPENSES			
Production costs	3,476,758	-	3,476,758
General and administrative	869,190	-	869,190
Fund-raising	<u>6,961</u>	<u>-</u>	<u>6,961</u>
 TOTAL EXPENSES	 4,352,909	 -	 4,352,909
 CHANGE IN NET ASSETS	 (224,879)	 (56,966)	 (281,845)
 NET ASSETS AT BEGINNING OF YEAR	 <u>(192,856)</u>	 <u>1,435,518</u>	 <u>1,242,662</u>
 NET ASSETS AT END OF YEAR	 <u>\$ (417,735)</u>	 <u>\$ 1,378,552</u>	 <u>\$ 960,817</u>

The accompanying notes are an integral part of the financial statements.

SOUTHSIDE TRAINING EMPLOYMENT PLACEMENT SERVICES, INC.

Statement of Activities

For the Year Ended June 30, 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUE, GAINS, AND OTHER SUPPORT			
Contributions-Direct	\$ 28,330	\$ -	\$ 28,330
Contributions-Indirect	101,552	1,009,002	1,110,554
Fundraising	84,216	-	84,216
Service Contracts	-	349,478	349,478
Grant Revenue	-	93,841	93,841
Production Sales	3,820,213	-	3,820,213
Interest income	178	-	178
Miscellaneous income	151,662	-	151,662
Gain on Sale of Property	-	-	-
Net assets released from restrictions:			
Restrictions satisfied by payments	<u>483,470</u>	<u>(483,470)</u>	<u>-</u>
 TOTAL REVENUE, GAINS, AND OTHER SUPPORT	 4,669,621	 968,851	 5,638,472
EXPENSES			
Production costs	4,279,669	-	4,279,669
General and administrative	1,069,917	-	1,069,917
Fund-raising	<u>41,753</u>	<u>-</u>	<u>41,753</u>
 TOTAL EXPENSES	 5,391,339	 -	 5,391,339
 CHANGE IN NET ASSETS	 (721,718)	 968,851	 247,133
 NET ASSETS AT BEGINNING OF YEAR	 <u>528,862</u>	 <u>466,667</u>	 <u>995,529</u>
 NET ASSETS AT END OF YEAR	 <u>\$ (192,856)</u>	 <u>\$ 1,435,518</u>	 <u>\$ 1,242,662</u>

The accompanying notes are an integral part of these financial statements.

SOUTHSIDE TRAINING EMPLOYMENT PLACEMENT SERVICES, INC.
STATEMENTS OF CASH FLOWS
For the Years ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (Decrease) in net assets	\$ (281,845)	\$ 247,133
Adjustments to reconcile decrease in net assets to net cash provided (used) in operating activities:		
Depreciation and amortization	202,050	220,479
Gain on Sale of Property	(12,770)	-
Decrease in prepaid expenses	202	16,412
(Increase) Decrease in accounts receivable	(103,832)	187,614
Decrease in inventory	145,777	18,675
(Decrease) Increase in accounts payable	(728,760)	571,810
Increase in accrued expenses and other liabilities	<u>16,878</u>	<u>37,746</u>
NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES	(762,300)	1,299,869
CASH FLOWS FROM INVESTING ACTIVITIES		
Sales of Property	15,853	-
Purchases of property and equipment	<u>(61,646)</u>	<u>(1,147,022)</u>
NET CASH (USED) BY INVESTING ACTIVITIES	(45,793)	(1,147,022)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	1,116,989	455,588
Loan repayment	<u>(478,906)</u>	<u>(397,334)</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>638,083</u>	<u>58,254</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(170,010)	211,101
CASH AND CASH EQUIVALENTS, beginning of year	<u>239,356</u>	<u>28,255</u>
CASH AND CASH EQUIVALENTS, End of year	<u>\$ 69,346</u>	<u>\$ 239,356</u>
Supplemental disclosure:		
Interest paid	\$ 26,615	\$ 24,033

The accompanying notes are an integral part of the financial statements.

SOUTHSIDE TRAINING EMPLOYMENT PLACEMENT SERVICES, INC.

Notes to Financial Statements
June 30, 2013 and 2012

1. Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities:

Southside Training Employment Placement Services, Inc. is a private nonprofit corporation under section 501(c)(3) of the Internal Revenue Code. The corporation is engaged in providing job training and employment opportunities for people with disabilities, through their sewing production contracts and recycling activities in Farmville, Virginia and Victoria, Virginia.

Basis of Accounting:

The financial statements have been prepared on the accrual basis of accounting accordingly reflect all significant receivables, payables and other liabilities.

Financial Statement Presentation:

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Cash and Cash Equivalents:

For purposes of the Statements of Cash Flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Accounts Receivable:

Accounts receivable are stated at unpaid balances. It is the Organization's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. The organizations' main customer is the Federal Government, therefore there has not been a need for an allowance for doubtful accounts.

Donated Services:

No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. However, many individuals

volunteer their time and perform a variety of tasks that assist the Organization with specific assistance programs, campaign solicitations, and various committee assignments.

Income Recognition:

Income is derived from several activities including job training and transportation, grants, contributions and sales of manufactured products. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the absence or existence and nature of any donor restrictions.

Inventories:

Inventories are stated at cost determined by the first-in, first-out method.

Promises to Give:

Unconditional promises to give are recognized as contribution revenue in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Promises to give are recorded at net realizable value if expected to be collected in one year and at fair value if expected to be collected in more than one year. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Property and Depreciation:

The Organization capitalizes all property and equipment with a cost of \$500. Purchased assets are recorded at cost. Assets acquired other than by purchase are recorded at their fair market value as of the date of acquisition. The Corporation provides for depreciation on the straight-line method over the useful lives for the various classes of property and equipment ranging from five to thirty years. Any major asset renovations are capitalized and depreciated.

Income Taxes:

The Organization is a not-for-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

2. Restrictions on Net Assets

Temporary restrictions on net assets at June 30, 2013 and 2012 represent the net book value of the Craddock Terry Building which is encumbered until the scheduled payoff of the deed of trust in March of 2021.

3. Property and Equipment

Property and Equipment consist of the following:

	<u>2013</u>	<u>2012</u>
Land	\$ 15,852	\$ 15,852
Buildings and improvements	2,604,757	2,604,757
Furniture and equipment	1,184,892	1,127,666
Vehicles	417,979	520,823
Contracts	<u>21,500</u>	<u>21,500</u>
	4,244,980	4,290,598
Accumulated Depreciation	<u>2,281,312</u>	<u>2,183,443</u>
	<u>\$ 1,963,668</u>	<u>\$ 2,107,155</u>

Depreciation expense for the years ending June 30, 2013 and June 30, 2012, were \$202,050 and \$220,479 respectively. The Virginia Department of Rehabilitative Services holds \$64,260 and \$64,260 respectively in liens against various equipment items that the agency has funded. These liens will be removed once the equipment is determined to be worthless. Additions of building and equipment for June 30, 2013 and June 30, 2012 were \$61,646 and \$1,147,022, respectively. Retirements of assets for June 30, 2013 and June 30, 2012 were \$107,264 and \$0, respectively.

4. Notes Payable

	<u>2013</u>	<u>2012</u>
Line of Credit at Bank of Charlotte County, original amount of \$412,959 at 6.00%, secured by real estate, due February 11, 2014.	412,959	413,000
USDA Loan, original amount \$51,140 at 3.75% for 10 years.	45,001	42,588
Interest-free note payable to NISH, original amount \$76,918 for 5 years.	65,380	-
Interest-free settlement payable to Navajo Air, original amount \$419,385 for 10 years.	296,570	-
Interest-free settlement payable to Diversitex, original amount \$323,761 for 10 years.	323,761	-
Less: Unconditional future promise to give per Diversitex Settlement agreement referencing Promissory Note of the Stipulation of Dismissal pertaining to Civil Action No. 3:12-CV-00889-HEH.	<u>(50,000)</u>	<u>-</u>
	<u>\$ 1,093,671</u>	<u>\$ 455,588</u>

Future scheduled maturities of notes payable are as follows:

Year ending June 30,

2014	\$ 492,898
2015	80,114
2016	80,294
2017	80,480
2018	69,135
Thereafter, net of unconditional future promise to give by Diversitex	<u>290,750</u>
	<u>\$ 1,093,671</u>

Cash payments for interest totaled \$26,615 and \$24,033 for the years ended June 30, 2013 and 2012, respectively.

5. Leases-Lessees

The Corporation has operating leases for equipment and real estate that expire at various dates through November 30, 2018. Rental expenses for these leases consisted of \$90,570 and \$114,340 for the years ended June 30, 2013 and 2012, respectively. Future minimum lease payments under operating leases that have remaining terms in excess of one year as of June 30, 2013 are:

Year ending June 30,

2014	\$ 85,470
2015	53,885
2016	45,510
2017	45,510
Thereafter	<u>54,568</u>
	<u>\$ 284,943</u>

6. Leases-Lessors

Operating lease commitments. The corporation leases out office space under an operating lease with a five year term. The following is a schedule of future minimum rentals to be received under the lease as of June 30, 2013.

Year ending June 30,

2014	\$ 24,491
2015	24,858
2016	<u>25,231</u>
	<u>\$ 74,580</u>

7. Subsequent Events

Management has evaluated subsequent events through October 4, 2013, the date which the financial statements were available to be issued.

8. Restricted Funds

The Corporation receives revenue from the Virginia Department of Rehabilitative Services and Virginia Department of Social Services for job training and job placement activities. These programs are accounted for in the financial statements as temporarily restricted funds.

Restrictive Debt Covenant

The county of Prince Edward has secured a \$400,000 deed of trust against the Craddock Terry building for twenty years which will remain unsatisfied as long as STEPS, Inc. does not sell the property. Should STEPS, Inc. sell the property within the twenty year period ending March 21, 2021, the full \$400,000 deed of trust will be due. At the end of the twenty year holding period, the deed of trust will be released without obligation if STEPS, Inc. still owns the building. The book value of this building is accounted for in the financial statements as temporarily restricted funds.

The county of Prince Edward secured grant money through the Department of Mines, Minerals, and Energy for STEPS, Inc. in the amount of \$1,009,002 to replace the roof and HVAC system in the Craddock Terry Building. Because the building is encumbered by the county until March 21, 2021, the book value of the assets used to improve the building are also accounted for in the financial statements as temporarily restricted funds. After 2021, the remaining book value of these assets will no longer be temporarily restricted.

9. Going Concern

For the prior year ended June 30, 2012, the Organization had incurred significant losses and only had cash and cash equivalents sufficient to support operations for a few months. These factors raised substantial doubt about the Organization's ability to continue as a going concern at that time.

For the current year ended June 30, 2013, STEPS demonstrated an ability to continue as a going concern by performing a strategic reorganization including a workforce reduction, cost savings, and restructuring debt to a long-term basis. They have also targeted new program income sources to utilize their existing case management expertise. Management believes these factors will contribute to achieving profitability.

HILL & DAVIS, CPA, PC

CERTIFIED PUBLIC ACCOUNTANTS
Thomas I. Hill, CPA, CFP™
Teresa D. Davis, CPA

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1-800-326-2015

MEMBERS:
American Institute of Certified Public Accountants
Virginia Society of Certified Public Accountants

August 26, 2014

RE: Steps, Inc. 2013 Audit Report

To Whom It May Concern:

This letter is to clarify that the going concern issue reflected in the audit report covering the two operating years that ended June 30, 2012 and 2013. The going concern pertained only to the operating year ending June 30, 2012. The reference in the audit report for the operating year ending June 30, 2013 was included only as a reference back to the operating year ending June 30, 2012 due to the comparative format of the audit report. The going concern issue had been resolved with operating year ending June 30, 2013 with debt restructuring and operating improvements.

Sincerely,



Thomas I. Hill
Auditor

*Thomas I. Hill, Registered Representative
Securities offered through H.D. Vest Investment ServicesSM, Member SIPC
*Advisory Services offered through H.D. Vest Advisory ServicesSM

Hill & Davis, CPA, PC is not a registered broker/dealer or independent investment advisory firm.

	<u>Audited FYE 2010</u>	<u>Audited FYE 2011</u>	<u>Audited FYE 2012</u>	<u>Audited FYE 2013</u>	<u>Unaudited FYE 2014</u>
Operating Revenue	\$ 4,435,938	\$ 4,909,550	\$ 5,638,472	\$ 4,042,441	\$ 3,760,142
Operating Expenses	\$ 4,589,033	\$ 4,877,671	\$ 5,170,860	\$ 4,043,595	\$ 3,697,705
Net Income(Loss) from Operations	\$ (153,095)	\$ 31,879	\$ 467,612	\$ (1,154)	\$ 62,437
Depreciation/Retirement of Assets	\$ (239,810)	\$ (245,257)	\$ (220,479)	\$ (309,314)	\$ (273,107)
Gain on Sale of Assets	\$ 705,452	\$ 9,800	\$	\$ 28,623	
	\$ 312,547	\$ (203,578)	\$ 247,133	\$ (281,845)	\$ (210,670)

COMMENTS:

STEPS has taken the following actions to solidify our financial position:

1. Utilizing a local consultant who is a CPA, we purchased and launched, the MIP accounting software in order to increase internal controls. This action has allowed STEPS to access greater expertise in the proper accrual for expenses and revenues and provides increased focus on financial controls and allocation of costs.
2. Increased focus on collecting account receivables within 30-60 days.
3. With the termination of the Department of Defense sewing contract, we have decreased expenses for staff and occupancy costs.
4. We are negotiating two (2) commercial sewing contracts to rebuild production revenue.
5. We are evaluating rental agreements and/or the sale of one of our properties in order to pay off debts resulting from DoD contracts.
6. Hired a new staff member with previous nonprofit and community action experience.

As a result, STEPS has positive cash flow on a monthly basis and increased our cash position by over 36% during FY2014.

Southside Training Employment Placement Services, Inc.
 Stmt of Financial Position - Unaudited
 6/30/2014

ASSETS

Current Assets

Cash & Cash Equivalents	\$191,001
Accounts Receivable	\$96,907
Prepaid Expenses	\$35,641
Inventory	\$0
Total Current Assets	<u>\$323,548</u>

Property & Equipment

Furniture & Equipment	\$263,099
Transportation Equipment	\$396,270
Building	\$2,490,452
Land	<u>\$15,852</u>
Property & Equipment	\$3,165,672
Less: Accumulated Depr	<u>(\$1,487,104)</u>
Net Property & Equipment	<u>\$1,678,568</u>

Total Assets	<u><u>\$2,002,117</u></u>
--------------	---------------------------

LIABILITIES & NET ASSETS

Current Liabilities

Accounts Payable	\$222,554
Accrued Comp Expenses & Other Liabilities	\$35,206
Notes Payable	<u>\$994,210</u>
Total Liabilities	\$1,251,969

Net Assets

Retained Earnings	\$960,817
Net Income(Loss)	(\$210,670)
Total Net Assets	<u>\$750,147</u>

Total Liabilities & Net Assets	<u><u>\$2,002,117</u></u>
--------------------------------	---------------------------

Southside Training Employment Placement Services, Inc.
Statement of Activities - Unaudited
FYE 6/30/2014

REVENUE AND OTHER SUPPORT

Contributions	80,714
Fundraising	7,670
Contracts	721,980
Grant Revenue	179,910
Production Sales	2,721,271
Interest Income	84
Miscellaneous income	48,513
Total Revenue	<u>3,760,142</u>

EXPENSES

Production Costs	2,915,089
Contract Expenses	157,711
General & Administrative	623,389
Fundraising	1,516
	<u>3,697,705</u>

Change in Net Assets before Depreciation	62,437
Loss on Retirement of Assets	73,238
Depreciation	<u>199,869</u>
Change in Net Assets including Depreciation	(210,670)
Net Assets Beginning of Year	960,817
Net Assets at End of Year	<u><u>750,147</u></u>



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Strategic Plan 2014- 2016

STEPS, Inc. Strategic Plan 2014- 2016

ELEMENTS:

- **Mission**
- **2018 Vision**
- **Historical Assessment**
- **2014-2015 Goals and Objectives**

OUR MISSION

STEPS is committed to creating, coordinating and delivering quality comprehensive services in an effort to foster self-sufficiency and eliminate poverty.

VISION 2018

Seeing Our Future

As we move forward, in service to persons with barriers within our region, STEPS is committed to creating increased employment opportunities and providing quality multi-faceted comprehensive services.

We will achieve this Vision through the efforts of energized, proactive leadership, engaged, collaborative community partners, and a sustainable, accountable organizational infrastructure

Historical Assessment

What we've learned from our Past

Understanding Our Previous Challenges	Building on Our Strengths
<ul style="list-style-type: none">• Factor in change – don't be reactive• Take time for upfront study• Be investment minded• Don't chase the dollar• Manage focusing on financial analysis	<ul style="list-style-type: none">• Be entrepreneurial• Focus on what we're good at such as case management services.

2014- 2015 Goals and Objectives

How We Will Move Forward

Goal I: Strengthen our Organizational Framework

Objective 1: Realign our Purpose, Mission and Vision to reflect our current and future focus.

Objective 2: Update and streamline information and tracking systems to meet the needs of diverse funders and output data that shows our impact

Objective 3: Reorganize staffing capacity to a more function-based model, creating greater efficiencies and effectiveness.

Goal II: Create a more Sustainable Financial Future

Objective 1: Increase the levels of community and funder awareness of our work.

Objective 2: Increase individual and local giving to STEPS

Outcomes Measurement Report Analysis

Report Period: July 1, 2012 – June 30, 2013

Each year STEPS, Inc. sets goals to ensure the quality of the services it provides to the community. After completion of each fiscal year, an annual report of progress towards these goals is generated. Below is a summary of that report.

- Notes: *The surveys used in the report had a 23% return rate.
 *Averaged goal attainment for the report period is 79.25%. Based on STEPS' criteria, the overall success rate was "satisfied/satisfactory".
 *Questions about the report or the goals listed should be forwarded to the attention of STEPS' VP-Support Services by way of your supervisor.

Community Employment Services – Services provided by STEPS staff to assist individuals with employment barriers to become employed within their community.

Goal	Target Results		Achieved	Improvement plan and/or Comments
Maximize successful placements	45%	48%	Yes	
Maximize hourly wage	\$7.50	\$8.14	Yes	
Minimize time between receipt of referral and attempt to contact client	4 bus. days	1.5 bus. days	Yes	
Maximize utilization of contract funds	100%	100%	Yes	
Maximize participant satisfaction with services	80%	97%	Yes	
Maximize stakeholder satisfaction with services	85%	85%	Yes	

Extended Employment Services – Long-term employment training services provided within any one of STEPS' service locations.

<u>Goal</u>	<u>Target</u>	<u>Results</u>	<u>Achieved</u>	<u>Improvement plan and/or Comments</u>
Maximize ISP goal attainment	80%	57%	No	Retrain staff in area of appropriate goal development
Maximize participant hourly wage	\$2.00	\$1.75	No	Assure participants are receiving training and accommodations to promote production
Maximize participant attendance	90%	91%	Yes	
Maximize utilization of Dept. of Rehab. funds	100%	101%	Yes	
Reduce number of un-sponsored participants w/in the Victoria plant	≤ 30	17	Yes	
Maximize participant satisfaction with services	90%	84%	No	Pole participants' concerns during year
Maximize stakeholders satisfaction with services	95%	100%	Yes	

Situational Assessment Services – A time-limited service intended to establish an individual's current level of employability skills.

<u>Goal</u>	<u>Target</u>	<u>Results</u>	<u>Achieved</u>	<u>Improvement plan and/or Comments</u>
Maximize the percent of participants completing assessment	88%	100%	Yes	
Maximize percent of reports that identify needed information and/or answer referral questions	100%	100%	Yes	
Maximize participant attendance	85%	88%	Yes	
Maximize number of SA referrals accepted for service	90%	100%	Yes	

Situational Assessment Services - Continued

<u>Goal</u>	<u>Target</u>	<u>Results</u>	<u>Achieved</u>	<u>Improvement plan and/or Comments</u>
Maximize participant satisfaction	90%	N/A	N/A	
Maximize stakeholder satisfaction	90%	N/A	N/A	

Work Adjustment Training Services – A short-term service intended to help one adjust to the world of work and gain basic work-readiness skills.

<u>Goal</u>	<u>Target</u>	<u>Results</u>	<u>Achieved</u>	<u>Improvement plan and/or Comments</u>
Maximize goal attainment by ISP	80%	71%	No	Review goal-setting practices with dept. staff. Ensure that goals are set to encourage the participant to “stretch” but are attainable
Maximize participant attendance	90%	85%	No	Ensure potential participants understand requirements and are committed
Maximize number of individuals entering WA after an SA recommendation of WA training	95%	100%	Yes	
Maximize participant satisfaction with services	90%	100%	Yes	
Maximize stakeholder satisfaction with services	90%	100%	Yes	

Survey Comments

Stakeholder survey question – “Please give us suggestions on how to improve our services and/or staff:

“Have more than one services worker to serve all counties.”

Participant survey question – “Please tell us what we could have done to better assist you”.

“I’m very pleased with your work program. You don’t need to change anything.”



Three-Year Accreditation

CARF
Survey Report
for
Southside Training,
Employment,
and Placement
Services, Inc.

CARF INTERNATIONAL

6951 East Southpoint Road
Tucson, AZ 85756 USA

Toll-free/TTY 888 281 6531 ■ Fax 520 318 1129

CARF-CCAC

1730 Rhode Island Avenue, NW, Suite 209
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10665 Jasper Avenue, Suite 1400A
Edmonton, Alberta T5J 3S9 Canada

Toll-free 877 434 5444 ■ Fax 780 426 7274

Organization

Southside Training, Employment, and Placement Services, Inc. (STEPS)
225 Industrial Park Road
Farmville, VA 23901

Organizational Leadership

Ryan M. Follett, B.S., Employment Services Manager

Survey Dates

August 24-26, 2011

Survey Team

Sarah Tilley, Administrative Surveyor
David C. Parrish, M.S., CRC, Program Surveyor

Programs/Services Surveyed

Employment Services: Community Employment Services: Job Development
Employment Services: Community Employment Services: Job Supports
Employment Services: Community Employment Services: Job-Site Training
Employment Services: Employee Development Services
Employment Services: Employment Planning Services
Employment Services: Organizational Employment Services

Previous Survey

August 18-20, 2008
Three-Year Accreditation



Three-Year Accreditation

Survey Outcome

Three-Year Accreditation
Expiration: August 2014

SURVEY SUMMARY

Southside Training, Employment, and Placement Services, Inc. (STEPS), has strengths in many areas.

- STEPS has a dedicated and enthusiastic board of directors. The board is keenly knowledgeable about the organization's programs and services and maintains the mission statement as the guiding principle for decision making.
- The board of directors is acknowledged for its decision to place on the agenda of each board meeting a presentation from persons served. Presenting the opportunity for board members to hear input and feedback regarding services demonstrates a commitment to quality.
- The executive leadership has a passion for the organization's mission as demonstrated through progressive and vision-oriented strategic planning. The commitment to ensuring the organization's longevity, the expansion of services, and opportunities for persons served is evident through the strong leadership provided.
- STEPS has a solid core of management personnel with considerable tenure. With the organization's expansion, the management team has also grown and has taken measures to further develop as a team in order to provide a strong foundation for STEPS and its personnel as the organization continues on a path of diversifying and expanding.
- STEPS actively involves personnel, persons served, and other stakeholders in the development of its strategic plan. There is genuine respect and a commitment to receiving input from all layers of the organization to be a part of the vision and future growth of STEPS.
- STEPS values and implements the input of persons served. The development of the most recent mission statement includes language recommended by a person served. This is but one example of the respect paid to persons served by employees, administration, and board members.
- The Recycling Center is a definite asset to the organization and fulfills a needed service in the community. It is also extremely neat and very well organized, especially considering the nature of the business.
- The Shoppe on Main Street has found a very unique niche in the consignment area. It only handles name-brand items and maintains a very stylish presentation of its sales items. It was very roomy, and customers had plenty of room to browse at their leisure.
- The sewing operation in Victoria was extremely functional without being cluttered. There was a very good mix of persons served and employees without disabilities. The persons served felt that there were opportunities for them to move into other jobs, and they felt that they were well supported by other staff.
- There is a wide variety of employment opportunities available to the persons served.
- All staff members showed a genuine concern for the persons served. They gave numerous examples of how they have worked to do what is best for the persons they serve.
- All the facilities where persons served worked were very neat and well organized. Some of the facilities were older, but STEPS has done the best it can with these situations and provided a safe environment for its employees.

STEPS should seek improvement in the areas identified by the recommendations in the report. Consultation given does not indicate nonconformance to standards but is offered as a suggestion for further quality improvement.

On balance, it is evident that STEPS is providing quality services. The organization demonstrates substantial conformance to the CARF standards. Persons served, funding sources, and referral sources expressed high satisfaction with the services provided by STEPS, and it is apparent that the organization is valued by the communities it serves. Although there are some areas for improvement noted within this report, the personnel, leadership, and governance body are dedicated to quality services and have expressed a commitment to continued performance improvement. Some of the areas for improvement identified include adding to the code of ethics; expanding the types of health and safety drills conducted; documenting and analyzing critical incidents beyond accidents and injuries; and incorporating risk management assessment, accommodations, and cultural diversity within individualized plans of persons served. The leadership and personnel of STEPS appear to have the ability and the willingness to make improvements in the areas identified.

Southside Training, Employment, and Planning Services, Inc., has earned a Three-Year Accreditation. The organization is recognized for its efforts to provide quality services and is encouraged to continue to remain current with the CARF standards as it addresses the areas for improvement noted.

SECTION 1. ASPIRE TO EXCELLENCE[®]

A. Leadership

Principle Statement

CARF-accredited organizations identify leadership that embraces the values of accountability and responsibility to the individual organization's stated mission. The leadership demonstrates corporate social responsibility.

Key Areas Addressed

- Leadership structure
- Leadership guidance
- Commitment to diversity
- Corporate responsibility
- Corporate compliance

Recommendations

A.5.a.(3)

A.5.a.(4)(b)(i) through A.5.a.(4)(b)(iii)

A.5.a.(4)(f)

Although STEPS has written codes of ethics in a number of topic areas, it is recommended that the code of ethics be expanded to address contractual relationships. This could be added to its existing policy addressing relations with other businesses, outside contacts, and financial practices. As part of the conflict-of-interest policy, the organization addresses accepting gifts, gratuities, and other items of value. However, it is recommended that it also address the exchange of gifts, money, and gratuities, rather than just the acceptance of such items. The organization might want to consider moving this policy to the code of ethics portion of the policy manual. It might also consider clarifying terminology within the policy that states items of value. This terminology might lead to a range of subjective interpretation whereas stating a numeric value or value range could provide further guidance for personnel. It is recommended that the organization expand the code of ethics to address the topic of witnessing of documents. The organization has a policy entitled "Solicitation," which prohibits any type of solicitation on STEPS' property without the approval of the CEO. It is suggested that STEPS expand this policy to clarify the expectations of conduct of personnel related to personal fundraising. Identifying specific examples of what personal fundraising might entail, such as having persons served selling items for organization fundraisers or employees selling products for a child's school fundraiser, could be helpful guidance for personnel.

Consultation

- The organization maintains a set of policies identified for the use of administrative personnel and a set of corporate policies for other personnel. Although a number of the policies are found within both manuals, there are some policies stated within the administrative manual that are not included in the policies received by other personnel, such as the corporate compliance policy. There are also separate policies that apply to only certain segments of STEPS, such as the document destruction segment of the business, which are maintained in yet a separate location from the other two policy manuals. It is suggested that the organization strive to develop a comprehensive policy manual that identifies all of its policies. Policies pertaining to only certain segments of the organization could be clearly identified within the text of the policy, rather than being separated into different policy manuals.

C. Strategic Integrated Planning

Principle Statement

CARF-accredited organizations establish a foundation for success through strategic planning focused on taking advantage of strengths and opportunities and addressing weaknesses and threats.

Key Areas Addressed

- Strategic planning considers stakeholder expectations and environmental impacts
 - Written strategic plan sets goals
 - Plan is implemented, shared, and kept relevant
-

Recommendations

C.2.c.(2)

C.2.f.

The current strategic plan covers many domains of the organization and includes a number of goals and objectives. The organization is urged to prioritize the goals. Doing so could better clarify the determination of allocating resources and time. The strategic plan developed by the organization is reviewed quarterly with reports on progress provided to personnel and other stakeholders. It is recommended that STEPS use the strategic plan as a dynamic tool and reflect updates to the plan as needed, rather than continuing to carry forward goals and/or objectives that it later determines irrelevant or as needing modification. To further identify the ongoing relevance of goals/objectives and/or the need to modify them, the organization is encouraged to add measurability standards. For example, the current plan states an objective of cutting costs, and the objective might be stated in measurable terms such as cutting costs by a specific percentage within a specific time frame.

C.3.a.

C.3.c.

Although STEPS has methods in place to share the strategic plan with the board of directors and personnel, it should share it, as relevant to the needs the specific group, with person served and other stakeholders. It could identify and employ methods of sharing the strategic plan with persons served and other stakeholders. The organization did communicate the intent to share strategic planning information within the annual report. Another method of sharing this information with persons served could be to add this as an agenda item for client orientation or within education sessions already being conducted by personnel. Strategic planning information could be presented through a combination of graphic materials and verbal information.

D. Input from Persons Served and Other Stakeholders

Principle Statement

CARF-accredited organizations continually focus on the expectations of the persons served and other stakeholders. The standards in this subsection direct the organization's focus to soliciting, collecting, analyzing, and using input from all stakeholders to create services that meet or exceed the expectations of the persons served, the community, and other stakeholders.

Key Areas Addressed

- Ongoing collection of information from a variety of sources
 - Analysis and integration into business practices
 - Leadership response to information collected
-

Recommendations

There are no recommendations in this area.

E. Legal Requirements

Principle Statement

CARF-accredited organizations comply with all legal and regulatory requirements.

Key Areas Addressed

- Compliance with all legal/regulatory requirements
-

Recommendations

E.1.a.

E.1.c.

The organization has adopted a practice of combining personnel records with service records for individuals who have been or who are recipients of services through STEPS and who are also personnel of STEPS. The organization is urged to separate personnel records from service records in order to comply with personnel laws and regulations and to protect the confidentiality and privacy of medical information of persons served. The organization is encouraged to seek current knowledge and understanding of HIPAA, the High Tech Act, and related documentation and tracking requirements, including use of privacy notices and the documentation and reporting of disclosures of protected health information. The organization has current labor law postings and information available for personnel to view. It is suggested that it update its Equal Employment Opportunity Commission (EEOC) policy to be consistent with the labor law postings to include language about not discriminating on the basis of genetic information.

Consultation

- The organization has an extensive written procedure identifying that personnel may acknowledge the presence of a person served when subpoenas, search warrants, investigations, and other legal actions ensue. The procedure clearly identifies the actions personnel are to take with regard to subpoenas and search warrants. The organization is encouraged to consider expanding this procedure to more clearly identify actions personnel are to take in instances of investigations or other legal action. The current procedure specifically identifies requests from

the criminal justice system, but does not address other types of investigations or legal action that might occur such as an OSHA investigation, a state or federal department of human services investigation, or other investigation.

F. Financial Planning and Management

Principle Statement

CARF-accredited organizations strive to be financially responsible and solvent, conducting fiscal management in a manner that supports their mission, values, and annual performance objectives. Fiscal practices adhere to established accounting principles and business practices. Fiscal management covers daily operational cost management and incorporates plans for long-term solvency.

Key Areas Addressed

- Budget(s) prepared, shared, and reflective of strategic planning
 - Financial results reported/compared to budgeted performance
 - Organization review
 - Fiscal policies and procedures
 - Review of service billing records and fee structure
 - Financial review/audit
 - Safeguarding funds of persons served
-

Recommendations

F.7.b.(1) through F.7.b.(3)

It is evident that STEPS conducts this process on a monthly basis with a random selection of billed services; however, it is recommended that it document that the dates of service provided coincide with billed episodes of care, that bills accurately reflect the services that were provided, and the identification of necessary corrective action.

G. Risk Management

Principle Statement

CARF-accredited organizations engage in a coordinated set of activities designed to control threats to their people, property, income, goodwill, and ability to accomplish goals.

Key Areas Addressed

- Identification of loss exposures
 - Development of risk management plan
 - Adequate insurance coverage
-

Recommendations

There are no recommendations in this area.

H. Health and Safety

Principle Statement

CARF-accredited organizations maintain healthy, safe, and clean environments that support quality services and minimize risk of harm to persons served, personnel, and other stakeholders.

Key Areas Addressed

- Inspections
 - Emergency procedures
 - Access to emergency first aid
 - Competency of personnel in safety procedures
 - Reporting/reviewing critical incidents
 - Infection control
-

Recommendations

H.4.b.(5)

Personnel should consistently receive competency-based training in the area of identifying critical incidents.

H.6.a.(1) through H.6.e.

Although the organization does conduct tests of some emergency procedures, it should conduct unannounced tests of its emergency procedures for medical emergencies at least annually on each shift and at each location. The tests should include complete actual or simulated physical evacuation drills if stated in its procedure, be analyzed for performance improvement, result in improvement of or affirm satisfactory current practice, and be evidenced in writing.

H.8.a. through H.8.d.(3)

H.8.d.(5) through H.8.d.(10)

H.8.d.(12) through H.8.d.(17)

The organization has a written safety procedure that addresses workplace injuries and accidents. It is recommended that it develop written procedures to address the prevention, reporting, and remedial action of other types of incidents and the following critical incidents: medication errors, use of seclusion, use of restraint, communicable disease, infection control, aggression or violence, unauthorized use or possession of weapons, wandering, elopement, biohazardous accidents, unauthorized use or possession of licit or illicit substances, abuse, neglect, suicide or attempted suicide, and other sentinel events. STEPS could develop one procedure to adequately address more than one type of critical incident so that all critical incidents are appropriately considered.

H.9.a. through H.9.b.(8)

Although the organization currently collects data and actions for improvement within a job safety and hazard analysis form, it does not analyze all types of critical incidents. It is recommended that the organization conduct an annual, written analysis of all critical incidents that addresses causes, trends, actions for improvement, results of performance improvement plans, necessary education and training of personnel, prevention of recurrence, and internal and external reporting requirements. The analysis of critical incidents is intended to support risk management and performance improvement activities. The analysis could be reviewed by a health and safety committee and the organization's executive leadership.

Consultation

- It is suggested that some additional emergency lighting be added to the Victoria site. STEPS is encouraged to be more consistent in insulating the pipes under the sinks in its restrooms.
 - STEPS is encouraged to develop a statement indicating which essential services it provides and how these services would continue in emergency situations.
 - It is suggested that the fire extinguishers carried in the vans be attached to prevent them from becoming projectiles in the event of an accident.
-

I. Human Resources

Principle Statement

CARF-accredited organizations demonstrate that they value their human resources. It should be evident that personnel are involved and engaged in the success of the organization and the persons they serve.

Key Areas Addressed

- Adequate staffing
- Verification of background/credentials
- Recruitment/retention efforts

- Personnel skills/characteristics
 - Annual review of job descriptions/performance
 - Policies regarding students/volunteers, if applicable
-

Recommendations

I.2.b.(1)

It is recommended that the organization expand the current background check policy to include identification of the time frames for verification of background check information.

I.3.c.

The organization tracks personnel termination information on an annual basis. It is recommended that it demonstrate identification of trends in personnel turnover. It could use its personnel termination information for this purpose. Establishing targets and identifying a strategy to meet these targets could assist in completing an analysis and action steps for performance improvement.

I.5.b.(2) through I.5.b.(12)

The organization provides a number of training opportunities to personnel during regularly scheduled personnel meetings; however, the frequency or intervals with which training is provided and the specific types of training to be provided are not clearly defined. It is recommended that the organization provide personnel training at regular intervals in the areas of confidentiality requirements, customer service, diversity, ethical codes of conduct, promoting wellness of the persons served, person-centered planning, personal privacy, reporting of suspected abuse and neglect, the rights of the persons served, the rights of personnel, and the unique needs of persons served. The organization maintains records of personnel training through various methods, some within personnel files, some in meeting minutes, and some through training attendance sign-in sheets. It is suggested that it develop a consistent method of tracking and documenting training for each member of personnel. One method could be a training checklist within each personnel file that identifies the date and type of orientation and any annual and other training needed. It could be completed by personnel.

I.6.d.(4)(a)

I.6.d.(4)(b)

I.6.e.(1) through I.6.e.(4)

Although the organization provides annual performance evaluations of personnel, it is urged to include, within the performance evaluations, an assessment of the individual employee's performance related to objectives established in the last evaluation period and to establish measurable performance objectives for the next year. Currently, the performance evaluation form does not have a clearly designated section identifying these two topic areas. The organization might want to consider adding these designated sections to the form to prompt supervisory personnel to address these areas of performance evaluation. The organization has a specific and current contract agreement with contract personnel, which identifies the tasks to be performed. The organization is urged to conduct an annual review of contract personnel utilized to assess performance of their contracts, ensure that they follow all of the organization's applicable policies and procedures, and ensure that they conform to the CARF standards applicable to the services they provide.

I.7.f.

I.7.h.

It is recommended that the organization expand its current policy on volunteers to include written procedures for dismissal of volunteers and students and background checks, when required.

J. Technology

Principle Statement

CARF-accredited organizations plan for the use of technology to support and advance effective and efficient service and business practices.

Key Areas Addressed

- Written technology and system plan
-

Recommendations

J.1.a.(3)

The organization has an information technology plan that incorporates many components, including hardware, software, virus protection, confidentiality, and assistive technology. It is recommended that the plan be expanded to address the area of security. This could include provisions requiring password protection and identifying which personnel positions are authorized to access which systems or databases. It is suggested that STEPS review and revise its information technology plan as needed to maintain it as an active plan. The current plan contains a computer replacement policy that does not appear to be followed or enforced. The organization stated that it has not been able to allocate the financial resources the computer replacement policy dictates; therefore, the practice of computer replacement has not been consistent with the policy stated within the plan. By reviewing and revising the information technology plan and its components regularly, such inconsistencies could be identified and modified.

K. Rights of Persons Served

Principle Statement

CARF-accredited organizations protect and promote the rights of all persons served. This commitment guides the delivery of services and ongoing interactions with the persons served.

Key Areas Addressed

- Communication of rights
 - Policies that promote rights
 - Complaint, grievance, and appeals policy
 - Annual review of complaints
-

Recommendations

K.4.a.(3)

Although STEPS appears to have a very comprehensive complaint process, it should specify in its levels of review the availability of an external review.

L. Accessibility

Principle Statement

CARF-accredited organizations promote accessibility and the removal of barriers for the persons served and other stakeholders.

Key Areas Addressed

- Written accessibility plan(s)
 - Status report regarding removal of identified barriers
 - Requests for reasonable accommodations
-

Recommendations

There are no recommendations in this area.

M. Information Measurement and Management

Principle Statement

CARF-accredited organizations are committed to continually improving their organizations and service delivery to the persons served. Data are collected and information is used to manage and improve service delivery.

Key Areas Addressed

- Information collection, use, and management
 - Setting and measuring performance indicators
-

Recommendations

M.3.a.

M.3.b.

M.3.c.(7)

M.3.c.(9)

The organization collects a great deal of data and information in many areas of program and business function. The organization uses many of these data for comparative analysis and business performance improvement. However, it should set and measure performance indicators in the areas of human resources and environmental health and safety and also use these data for comparative analysis and business function improvement. As it tracks termination information on an annual basis, the organization could expand the human resource analysis by setting and measuring specific human resource performance indicators, including percentage of turnover, absenteeism rates, and unemployment claim payouts. It also maintains a health and safety committee and implements many health and safety policies, procedures, and practices. It could set and measure performance indicators utilizing data from its health and safety program and committee, including data collection and analysis of critical incidents, accidents, and injuries.

Consultation

- The organization collects demographic information and characteristics of persons served at varying points in time from the beginning of services to the end of services and following services. As demonstrated in its outcomes measurement reports, it has realized a changing demographic with regard to persons referred for services. It is suggested that it take the realization of this information to the next step by analyzing how this changing demographic might drive adjustments to services and programs.
-

N. Performance Improvement

Principle Statement

The dynamic nature of continuous improvement in a CARF-accredited organization sets it apart from other organizations providing similar services. CARF-accredited organizations share and provide the persons served and other interested stakeholders with ongoing information about their actual performance as a business entity and their ability to achieve optimal outcomes for the persons served through their programs and services.

Key Areas Addressed

- Proactive performance improvement
 - Performance information shared with all stakeholders
-

Recommendations

N.1.a.

N.1.b.(1)

N.1.c.(1) through N.1.c.(3)

The organization collects a great deal of data and completes analysis of some of these data annually. The organization also completed an environmental scan in 2008 at the time of the creation of its current strategic plan. In addition, the organization analyzes performance indicators in relation to performance goals for each service delivery area. The organization is urged to annually analyze performance indicators in relation to performance goals in the areas of business functions. When analyzing its business functions, the annual performance analysis should identify areas for performance improvement, result in an action plan to address improvements needed to reach established or revised performance goals, and outline actions taken or changes made to improve business function performance.

N.3.a.

It is recommended that STEPS share performance information in format(s) that are useful to the persons served. It could identify methods of sharing this information with persons served that might include such modes as graphic and pictorial demonstrations and verbal presentations at established meetings or educational events held with persons served.

SECTION 2. QUALITY INDIVIDUALIZED SERVICES AND SUPPORTS

A. Program/Service Structure

Principle Statement

A fundamental responsibility of the organization is to provide a comprehensive program structure. The staffing is designed to maximize opportunities for the persons served to obtain and participate in the services provided.

Key Areas Addressed

- Services are person centered and individualized
 - Persons are given information about the organization's purposes and ability to address desired outcomes
 - Documented scope of services shared with stakeholders
 - Service delivery based on accepted field practices
 - Communication for effective service delivery
 - Entrance/exit/transition criteria
-

Recommendations

A.1.c.

It is recommended that the scope of services for each program/service be reviewed at least annually and be updated as necessary. Tracking this review could be done by inserting a date in the header or footer.

Consultation

- It is suggested that STEPS obtain a more detailed criminal history and show how this history could affect the employment options of the person served.
-

B. Individual-Centered Service Planning, Design, and Delivery

Principle Statement

Improvement of the quality of an individual's services/supports requires a focus on the person and/or family served and their identified strengths, abilities, needs, and preferences. The organization's services are designed around the identified needs and desires of the persons served, are responsive to their expectations, and are relevant to their maximum participation in the environments of their choice.

The person served participates in decision making, directing, and planning that affects his or her life. Efforts to include the person served in the direction or delivery of those services/ supports are evident. The service environment reflects identified cultural needs, practices, and diversity. The person served is given information about the purposes of the organization.

Key Areas Addressed

- Services are person-centered and individualized
- Persons are given information about the organization's purposes and ability to address desired outcomes

Recommendations

B.5.b.(4)

The service plans should indicate those responsible for implementation of the individual service plan.

B.7.a.(1) through B.7.b.

Although STEPS appears to informally assess risks to the persons served, it is recommended that, when applicable to the person and his or her goals and outcomes, the person and/or his or her legal representative be involved in assessing potential risks to each person's health and safety in the community, deciding whether to accept situations with inherent risks, identifying actions to be taken to minimize risks that have been identified, and identifying individuals responsible for those actions. Risk assessment results should be documented in the individual service plan.

Consultation

- It is suggested that the organization consider the cultural background of the persons served to determine how their beliefs and customs could effect their employability.
- The organization currently does an annual review of the disabilities of the persons served and their functional limitations. It is suggested that this information be used to better describe the accommodations that might be needed in the workplace.
- When a case is closed, it is suggested that a letter be sent to the person served indicating the date of closure and the reason for closure.

D. Employment Services Principle Standards

Principle Statement

The standards in this subsection assert basic principles that should be demonstrated by any organization seeking accreditation in the area of employment services.

Key Areas Addressed

- Goals of the persons served
- Personnel needs of local employers
- Community resources available
- Economic trends in the local employment sector

Recommendations

There are no recommendations in this area.

SECTION 3. EMPLOYMENT SERVICES

Principle Statement

An organization seeking CARF accreditation in the area of employment services assists the persons served in obtaining access to the resources, services, and supports that result in opportunities for the persons served that meet their employment-related wants, desires, goals, and needs. The organization provides the persons served with information so that they may make informed choices and decisions.

The services and supports are changed as necessary to meet the identified needs of the persons served and other stakeholders. Services are individualized to each person.

C. Employment Planning Services

Principle Statement

Employment planning services are designed to assist a person seeking employment to learn about employment opportunities within the community and to make informed decisions. Employment planning services are individualized to assist a person to choose employment outcomes and/or career development opportunities based on his or her preferences, strengths, abilities, and needs.

Employment planning uses some type of employment exploration model. This may involve one or more of the following:

- Situational assessments
- Paid work trials
- Job tryouts (may be individual, crew, enclave, cluster, etc.)
- Job shadowing
- Simulated job sites
- Staffing agencies/temporary employment agencies
- Volunteer opportunities
- Transitional employment

Key Areas Addressed

- Employment opportunities within the community
- Informed decision making by participants
- Referrals to services to implement employment plan

Recommendations

There are no recommendations in this area.

F. Employee Development Services

Principle Statement

Employee development services are individualized services/supports that assist persons seeking employment to develop or reestablish skills, attitudes, personal characteristics, interpersonal skills, work behaviors, functional capacities, etc., to achieve positive employment outcomes.

Such services/supports are time limited and can be provided directly to persons seeking employment or indirectly through corporate employer/employee support programs. These services/supports can be provided at the job sites, within formal and organized training and educational settings, through counseling sessions, by tutorial services, or within the organization. These services may be offered in a free-standing unit or as a functional piece of other services.

Key Areas Addressed

- Skills development/reestablishment
 - Attitude development/reestablishment
 - Work behaviors development/reestablishment
 - Employment outcomes
-

Recommendations

F.3.b.

F.3.c.

Although job-related behaviors are listed, methods for providing instructions are not always indicated, and the objectives for these instruction methods are not documented. It is recommended that each job-related work behavior being addressed be listed with methods of providing instruction along with objectives to be achieved.

F.4.a.

The training methods for teaching work-related behaviors have not been reviewed in recent years. It is recommended that the course content and training methods be reviewed on at least an annual basis.

H. Organizational Employment Services

Principle Statement

Organizational employment services are designed to provide paid work to the persons served in locations owned, leased, rented, or managed by the service provider. A critical component and value of organizational employment services is to use the capacity of the organization's employment and training service design to create opportunities for persons to achieve desired employment outcomes in their community of choice.

Service models are flexible and may include a variety of enterprises and business designs, including organization-owned businesses such as retail stores, restaurants, shops, franchises, etc.

Key Areas Addressed

- Paid work provided by organization
 - Employment goals of persons served
 - Legal guidelines adherence
-

Recommendations

There are no recommendations in this area.

I. Community Employment Services

Principle Statement

Job Development

Successful job development concurrently uses assessment information about the person seeking employment to target the types of jobs available from potential employers in the local labor market. Typical job development activities include reviewing local employment opportunities and developing potential employers/customers through direct and indirect promotional strategies. Job development may include facilitating a hiring agreement between an employer and a person seeking employment. Some persons seeking employment may want assistance at only a basic, informational level such as self-directed job search.

Job-Site Training

Job-site training services vary according to the needs of the new employee and the complexity of the job. Training can include assisting the employee with performance on the new job task and helping the person to understand the job culture, industry practices, and work behaviors expected by the employer. It may also include training the employer and coworkers to understand the training methods and accommodations needed by the worker. Job-site training is intensive for the initial orientation of an employee to the job tasks. Job-site training may consist of customizing the job to

meet the needs of the new employee and employer, task analysis, counseling, and supports with the intent of leading to natural supports and/or reduced external job coaching. These services are typically not long-term, ceasing after the individual has become stabilized on the job.

Job Supports

Ongoing job support services are activities that are employment-related and needed to promote job adjustment, retention, and advancement. These services are based on the individual needs of the employee with focus on long-term retention of the person in the job after the initial training period.

Routine follow-up with the employer and the employee is crucial to continued job success. Supports are a critical element of the long-term effectiveness of community employment. Support services address issues such as a decrease in productivity of the person served, assistance in training a person to complete new tasks, changes in work schedule or work promotion, adjusting to new supervisors, and managing changes in nonwork environments or other critical life activities that may affect work performance.

Key Areas Addressed

- Integrated employment choice
 - Integrated employment obtainment
 - Integrated employment retention
-

Recommendations

I.13.a.

Contacts and reviews have been basically conducted on an annual basis. It is recommended that STEPS contact each person on at least a semiannual basis to discuss his or her needs and types of supports needed.

PROGRAMS/SERVICES BY LOCATION

Southside Training, Employment, and Placement Services, Inc.

225 Industrial Park Road
Farmville, VA 23901

Employment Services: Community Employment Services: Job Development
Employment Services: Community Employment Services: Job Supports
Employment Services: Community Employment Services: Job-Site Training
Employment Services: Employee Development Services
Employment Services: Employment Planning Services
Employment Services: Organizational Employment Services

Craddock-Terry Building

100 Industrial Park Road
Farmville, VA 23901

Employment Services: Community Employment Services: Job Development
Employment Services: Community Employment Services: Job Supports
Employment Services: Community Employment Services: Job-Site Training
Employment Services: Employee Development Services
Employment Services: Employment Planning Services
Employment Services: Organizational Employment Services

Victoria Plant

300 Court Street
Victoria, VA 23974

Employment Services: Community Employment Services: Job Development
Employment Services: Community Employment Services: Job Supports
Employment Services: Community Employment Services: Job-Site Training
Employment Services: Employee Development Services
Employment Services: Employment Planning Services
Employment Services: Organizational Employment Services

The Shoppe on Main

236 North Main Street
Farmville, VA 23901

Employment Services: Community Employment Services: Job Development
Employment Services: Community Employment Services: Job Supports
Employment Services: Community Employment Services: Job-Site Training
Employment Services: Employee Development Services
Employment Services: Employment Planning Services
Employment Services: Organizational Employment Services



COMMITTEE FOR PURCHASE FROM
PEOPLE WHO ARE BLIND OR SEVERELY DISABLED

703-603-7740
FAX 703-603-0655

Jefferson Plaza 2, Suite 10800
1421 Jefferson Davis Highway
Arlington, Virginia 22202-3259

October 11, 2011

Ms. Sharon Harrup
Executive Director
STEPS, Inc.
225 Industrial Park Road
Farmville, VA 23901

Dear Ms. Harrup:

On behalf of the Committee for Purchase from People Who Are Blind or Severely Disabled (Committee). I would like to thank you for the time that you and your staff of STEPS Inc. spent with Mr. Zafor Ullah during his visit on June 21, 2011.

As a result of the compliance review, Mr. Ullah found that your agency met all of the Committee requirements and was impressed with your staff's work and the systems that your agency has in place to meet Committee requirements.

Once again, we want to extend our appreciation to you and your staff for your hospitality, and assistance during the compliance review. The Committee recognizes the valuable job training opportunities that STEPS Inc. provides for people with disabilities in the Farmville area. I hope that the AbilityOne Program will remain an integral part of fulfilling your mission.

If you have any questions or if we can be of further assistance please feel free to contact Mr. Ullah at 703-603-2139 or zullah@abilityone.gov, or me at 703-603-2124 or lbartalot@abilityone.gov.

Sincerely,

Louis R. Bartalot
Director of Compliance

Cc: Victor Dennis, NISH

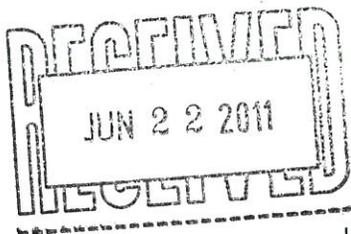




COMMITTEE FOR PURCHASE FROM
PEOPLE WHO ARE BLIND OR SEVERELY DISABLED

703-603-7740
FAX 703-603-0655

Jefferson Plaza 2, Suite 10800
1421 Jefferson Davis Highway
Arlington, Virginia 22202-3259



June 17, 2011

Sharon L. Harrup
Southside Training Employment Placement Services, Inc.
225 Industrial Park Road
Farmville, VA 23901

Dear Sharon,

I'm writing to confirm with you my upcoming compliance review of your agency. I will be arriving on June 20th around 9:00 a.m. and would like to have an opening meeting shortly thereafter. I anticipate that I will be able to complete my review the next day. The review will consist of observations, interviews, and inspection of various records and/or documents that would help us identify your compliance with 41 CFR § 51- 4.3 Maintaining Qualification. Please also note that a vital part of a compliance visit is the review of files for individuals counted as having a severe disability, who are performing direct labor at your agency. If your agency policy or State law requires a release for us to review the files, please use the appropriate procedures to obtain such releases that will allow us to do so.

Attached is a form entitled *Compliance Review Preparation Checklist*. This form will act as an outline for the majority of items we will be inspecting; it also indicates specific policies or documents which we will be reviewing. Please circulate this form to staff that have ownership over such documents so that they can prepare and organize them for inspection. If possible, please have a completed copy of the checklist available when I arrive.

In addition, please have a spreadsheet that includes the names, job titles (if possible), and date of hire of all your employees/clients that are counted as severely disabled. In this spreadsheet the names of individuals working on AbilityOne (JWOD) contracts will also need to be annotated in some fashion (a separate list is acceptable). We will also need a spreadsheet with all direct severely disabled and non disabled labor hours from October 1, 2010 through the end of the last pay period prior to the date of the review for each individual AbilityOne project.

At the conclusion of my review I will conduct a closing meeting to give you and your staff an overview of my findings. If possible, I would also like to have at least one member of your board present for this meeting. A final and detailed report will be sent typically 30-45 days after that. The closing meeting is also a good opportunity for you or your staff to directly communicate any concerns or make any comments regarding the AbilityOne Program.

If you have any questions please feel free to contact me at (703) 603-2139 or via email at zullah@abilityone.gov.

Sincerely,

Zafor Ullah

An Independent Agency of the United States Government Established by the Javits-Wagner-O' Day Act.

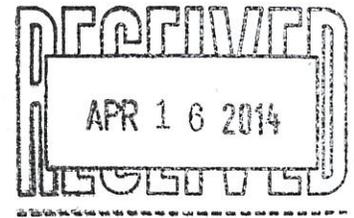
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Printed on Recycled Paper



**TRIP REPORT
FOR
SourceAmerica NONPROFIT AGENCY**



Date of Visit: Wednesday, April 16, 2014
 Visitor: Kathi Skilly

Agency: <u>Southside Training, Employment & Placement #8074</u>	Executive Director: <u>Sharron Harrup</u>
Street Address: <u>255 Industrial Park Road</u>	E-Mail Address: <u>sharrupa@steps-vc.org</u>
City, State: <u>Farmville, Virginia 23901</u>	Phone Number: <u>434-315-5909</u>

Previous Visit Date: June 21, 2011
 Previous Visitor: Zafar Wlah
 SourceAmerica
 CMTE
 Previous Problems: None

1. Articles of Incorporation & Bylaws

Have there been any changes to articles of incorporation or bylaws since _____?
 Yes No
 If yes, when _____ (attach copy of amendments)

2. File Review for Medical Documentation & Competitive Employability

Total # of files for all severely disabled direct labor employees
 AbilityOne 44 (+) Non-AbilityOne 3 (=) Total 47

Total number of files reviewed
 AbilityOne 20 (+) Non-AbilityOne 3 (=) Total 23

A. Number of files which contained documentation of a severe physical or mental impairment:

AbilityOne 20 (+) Non-AbilityOne 3 (=) Total 23

B. Number of Files which contain sufficient information developed by an ongoing evaluation program that includes a preadmission evaluation and reevaluation at least annually, of each individual's capability for normal competitive employment.

AbilityOne 20 (+) Non-AbilityOne 3 (=) Total 23

Comments _____

3. Placement Program

Does the agency have a placement program? Yes No

If no, does the agency have a letter of agreement with another agency to provide placement services? Yes No

Comments: 1 full time staff and 2 part time

4. Direct Labor Ratios

FY 14 cumulative hours through 3.31.14

Are employee hours being classified correctly as direct or indirect labor? Yes No

At any time, does the direct labor workforce include temporary workers or workers from temp agencies? Yes No

If yes, are these hours included in the calculation of direct labor ratios? Yes No

Comments: Understands that if temps are ever used they must be counted.

A. Total Agency Direct Labor

Disabled Hours 39,205.75 (+) Non-Disabled hours 13,363.75 (=) Total 52,569.5

Disabled Hours 39,205.75 (/) Total Hours 52,569.5 (=) Ratio 75%

B. AbilityOne Direct Labor

Disabled Hours 39,778.25 (+) Non-Disabled hours 12,130.25 (=) Total 47,917.5

Disabled Hours 39,778.25 (/) Total Hours 47,917.5 (=) Ratio 75%

Comments _____

5. AbilityOne Project Ratios

FY _____ cumulative hours through _____

If spreadsheet is attached, it must contain project number or description, number of disabled and non-disabled hours, and ratios.

Project # _____ Ratio on Add 5/6 _____

Is the project on-schedule? Yes No N/A

Disabled Hours _____ (+) Non-Disabled hours _____ (=) Total _____

Disabled Hours _____ (/) Total Hours _____ (=) Ratio _____

Project # _____ Ratio on Add 5/6 _____

Is the project on-schedule? Yes No N/A

Disabled Hours _____ (+) Non-Disabled hours _____ (=) Total _____

Disabled Hours _____ (/) Total Hours _____ (=) Ratio _____

Project # _____ Ratio on Add 5/6 _____

Is the project on-schedule? Yes No N/A

Disabled Hours _____ (+) Non-Disabled hours _____ (=) Total _____

Disabled Hours _____ (/) Total Hours _____ (=) Ratio _____

Comments _____

6. Department of Labor Requirements

Does the agency have a certificate authorizing special minimum wage?

Yes No

If Yes, Expiration Date 6.30.2015

A. Commensurate Wages

Do recipients of commensurate wages have impaired productivity or earning capacity from age, physical disability, mental disability, or injury for the work performed?

Yes No N/A

Have calculations been verified to match payroll records?

Yes No NA

B. Prevailing Wage

Has the prevailing wage survey been completed annually?

Yes No N/A

Does the prevailing wage survey have all the following:

Yes No N/A

Contact date, company name, address, phone number, contact persons name with title. Brief description of work involved, wage rate, and basis for concluding the wage data provided was not for an entry level position.

Has the employees wages been adjusted no later than the first complete pay period following the prevailing wage review?

Yes No N/A

Have all monetary calculations been rounded up?

Yes No N/A

C. Hourly Production Standards

Is there a job description and task analysis for work being performed?

Yes No N/A

Has a standard been set using employees who are not disabled for the work?

Yes No N/A

Have employees productivity been measured within the first month of employment?

Yes No N/A

Is employees performance being reviewed every six months or when the workers change jobs?

Yes No N/A

Are production standards reviewed periodically?	Yes	No	<input checked="" type="radio"/> N/A
Have all monetary calculations been rounded up?	Yes	No	<input checked="" type="radio"/> N/A

D. Piece Rates

Is there a job description and task analysis for the work being performed including set-up activities, packaging, counting, boxing, clean-up, and other irregular operations?	<input checked="" type="radio"/> Yes	No	N/A
Have standards been set using employees who are not disabled for the work and incorporated Personal Fatigue, and Delay (PFD) factor that is not less than 17.65%?	<input checked="" type="radio"/> Yes	No	N/A
Are piece rates calculated correctly? <i>(Prevailing wage divided by non-disabled standard = piece rate)</i>	<input checked="" type="radio"/> Yes	No	N/A
Have all monetary calculations been rounded up?	<input checked="" type="radio"/> Yes	No	N/A

Comments _____

7. Service Contract Act (SCA)

Is the current wage determination rate being used?	<input checked="" type="radio"/> Yes	No	N/A
Which health & welfare benefits are being paid?	<input checked="" type="radio"/> Cash	Benefit plan	Both
Explain benefit plan, in component parts and percentages of H&W:			

Has payment to the benefit provider been verified?	Yes	No	<input checked="" type="radio"/> N/A
Holidays paid	<input checked="" type="radio"/> Yes	No	N/A
Vacation benefits paid	<input checked="" type="radio"/> Yes	No	N/A
Payroll records match	<input checked="" type="radio"/> Yes	No	N/A

8. Davis Bacon Act (DBA)

Is the current wage determination rate being used?	Yes	No	<input checked="" type="radio"/> N/A
How is the fringe benefit being dispersed?	Cash	Benefit Plan	Both
Is fringe benefit plan funded or unfunded?	Funded	Unfunded	
Has payment to the funded benefit provider been verified?	Yes	No	<input checked="" type="radio"/> N/A
Explain benefit plan, funded or unfunded, in component parts and percentages of fringe benefit:			

Are certified payrolls submitted weekly? Yes No N/A

Do the certified payrolls have all the following: Yes No N/A

Although use of Form WH-347 is optional, payroll records submitted must contain:

- Name, address, and social security number of each employee
- Each employee's work classification(s)
- Hourly rate(s) of pay (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents)
- Daily and weekly number of hours worked
- Deductions made; and
- Actual wages paid

9. Occupational Safety & Health Administration (OSHA)

Safety Committee	<input checked="" type="radio"/> Yes	No	N/A
MSDS	<input checked="" type="radio"/> Yes	No	N/A
Bloodborne Pathogens Program	<input checked="" type="radio"/> Yes	No	N/A
OSHA Form 300	<input checked="" type="radio"/> Yes	No	N/A

Comments _____

10. Additional Federal Contractor Requirements:

Affirmative Action Policy (A Federal Contract of \geq \$10,000)	<input checked="" type="radio"/> Yes	No	N/A
Affirmative Action Plan (A Federal Contract of \geq \$50,000 and 50 employees)	<input checked="" type="radio"/> Yes	No	N/A
EEO-1 Form	<input checked="" type="radio"/> Yes	No	N/A
Vets-100 Form (A Federal contract \geq \$100,000)	<input checked="" type="radio"/> Yes	No	N/A
Drug- Free Workplace Policy (A Federal Contract \geq \$100,000)	<input checked="" type="radio"/> Yes	No	N/A
Family & Medical Leave Policy (Employers with \geq 50 employees)	<input checked="" type="radio"/> Yes	No	N/A
E-Verify (A Federal Contract \geq \$100,000)	<input checked="" type="radio"/> Yes	No	N/A

I-9 Forms
Number reviewed 20
Number with at least one or more deficiencies 5

Comments Preparer/translator Section

11. Contractor Code of Business Ethics and Conduct (new requirement)

Is the agency required to have a Code of Business Ethics and Conduct? Yes No
(Contract ≥ \$5 mil; renewed after 12/12/2008; Clause 52.203-13 checked)

Does the agency have:

A written Code of Ethics? Yes No N/A

Hotline or similar confidential reporting system (internal or external)? Yes No N/A

Ethics training for employees, staff and management of the agency? Yes No N/A

Does the agency display a Hotline Poster?
(Clause 52.203-14 checked) Yes No N/A

12. VISIT SUMMARY or additional overall comments:

Thank you for being so prepared and organized.

Agency Acknowledgement:

Printed Name: Ryan Follett

Title: Vice President

Signature:  Date: 4/16/17

GENTRY LOCKE
RAKES & MOORE^{LLP}
Attorneys

Lindsey A. Coley
(540) 983-9376
coley@gentrylocke.com

Facsimile 540-983-9400
Post Office Box 40013
Roanoke, Virginia 24022-0013

April 1, 2013

CONFIDENTIAL
ATTORNEY-CLIENT PRIVILEGED

Sent Via E-Mail Only

Ms. Cynthia Saunders
STEPS, Inc.
225 Industrial Park Road
Farmville, Virginia 23901

Re: May 1, 2012 – April 30, 2013 Affirmative Action Plan

Dear Cynthia:

Please find attached the May 1, 2012 – April 30, 2013 Affirmative Action Plans (“AAPs”) for STEPS, Inc. (the “Company”). Please note that several sections of the AAPs require signatures (pages 2 and 13 of the AAP for Minorities and Females and pages 2 and 8 of the AAP for Veterans and Individuals with Disabilities). In particular, the Statement of Policy Sections in each AAP should be signed and copied and posted in the appropriate locations.

There are two AAPs attached, one for Minorities and Females and one for Veterans and Individuals with Disabilities. Adverse Impact Analyses, as required pursuant to 41 C.F.R. 60-315A(2), are also included. Adverse Impact Analyses are helpful tools to determine placement goals and to predict potential problem areas. The Adverse Impact Analyses reveal that the Company has no statistically significant problem areas with respect to its hiring, promotion and termination decisions for the regular employees for the prior AAP year. Congratulations on this result!

We understand that the Company “employs” several individuals who are participants in various training programs facilitated by the Company. Although these individuals are technically “employees” of the Company, we did not think it was appropriate for these individuals to be compared to other employees of the Company for purposes of the statistical analyses. We understand that the government agency that funds these programs establishes the eligibility criteria for these training programs, and the Company has no decision-making authority regarding which individuals are eligible to participate in the training program, the compensation

Ms. Cynthia Saunders
4/1/2013
Page 2

of the individuals in the training program and whether the individuals are able to remain in the training program. Therefore, the "employees" in the training programs are selected and evaluated differently compared to other employees of the Company who go through the traditional competitive application and employment process. As a result, we created a separate job group for individuals in the various training programs so that they would not be compared to other employees of the Company.

The results of our analysis revealed that the Company technically has one placement goal for females in Job Group 7C. However, Job Group 7C is a group that includes participants in the training program for Entry Level Operatives (i.e., Sorters/Shredders, Recycling Workers and Finishers). Typically, we would advise companies with a placement goal to provide this information to your decision makers and note that you will continue to make a good faith effort to reach the placement goal. However, since the placement goal is for a job group that only includes participants in a training program, and the Company does not make the "hiring" decision as to whether individuals may participate in the training programs, we recommend that you ensure that the information about these training programs is distributed to various female groups throughout the community and encourage females to apply to participate in these training programs.

We also recommend that you include exhibits with the Affirmative Action Plans. Exhibits may include letters to vendors, the Company's employment application, EEO-1 and VETS-100 Reports and any other letters or communications that the Company may have made with organizations that recruit or refer minorities, females, veterans or individuals with disabilities. This would also be a good place to keep copies of any job postings that the Company submits to the VEC.

Recently, the OFCCP has been focused on outreach and recruitment efforts to not only minority and female organizations, but also those aimed at veterans and disabled individuals. As a result, it is very important to send letters to such organizations periodically throughout the year in order to remind them of the Company's affirmative action obligations and request that they refer qualified applicants for regular employment or to apply to participate in a training program. As you know, the OFCCP will request this documentation in the event of an audit.

Because we keep updated copies of your Affirmative Action Plans in our office so that we are able easily access the data in the event of an OFCCP audit, it would be helpful if you could provide us with copies of the relevant EEO-1 and Vets-100 Reports, as well as a copy of the revised employment application and any other exhibits that you feel would be appropriate for this Affirmative Action Plans.

GENTRY LOCKE
RAKES & MOORE^{LLP}

Ms. Cynthia Saunders
4/1/2013
Page 3

Finally, it is important that you retain AAPs for the prior two plan years. We recommend that you store these prior AAPs in a central location in case we need to refer to them in the future.

Looking forward, we will provide all of the updated data tables to you and plan to begin work on the May 1, 2013 – April 30, 2014 AAPs soon. As always, it was a pleasure working with you on this project. Please do not hesitate to contact me should you have any questions.

Very truly yours,

GENTRY LOCKE RAKES & MOORE, LLP



Lindsey A. Coley

Enclosures

cc: W. David Paxton, Esq. (via electronic mail w/out enclosures)



AmTrust North America
An AmTrust Financial Company

August 15, 2014

Cynthia Saunders, Vice President
Southside Training Employment and Placement Services, Inc.
225 Industrial Park Road
Farmville, VA 23901

Sandra Kimerle
USI Insurance Services
P.O. Box 120700
Newport News, VA 23612-0700

Policy #: TWC3425543
Location Surveyed: 225 Industrial Park Road, Farmville, VA

Dear Ms. Saunders,

I appreciate the time and courtesy extended to our representative, John Cox, during the recent loss control visit on July 31, 2014.

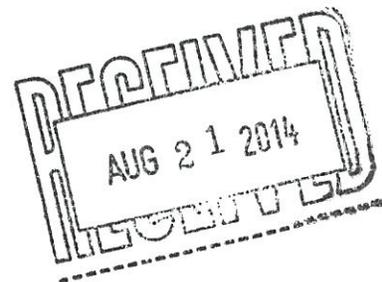
The purpose of this visit was to evaluate your loss control programs and procedures as they relate to the workers' compensation coverage provided by Technology Insurance Company.

There were no recommendations developed as a result of this visit. The results of this visit are based on observed conditions and interviews at the time of the visit. It is neither the intent nor the implication of AmTrust or its agents to address all safety and health hazards or to assure compliance with local, state, or federal regulations.

Please visit our extensive safety library at www.amtrustnorthamerica.com. If we can be of further assistance with regard to safety, please contact us at 888-486-7466 extension 363275 or e-mail LCInfo@amtrustgroup.com.

Sincerely,

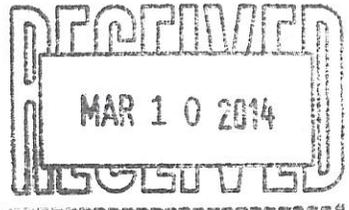
Jeffrey F. Corder
Vice President Loss Control
AmTrust North America



cc: Laura Johnson, Underwriting
Loss Control Department



30-34camp
Chancellor
P. Cummins



Original to R
COMMONWEALTH OF VIRGINIA
DEPARTMENT FOR AGING AND REHABILITATIVE SERVICES

JAMES A. ROTHROCK
Commissioner

8004 Franklin Farms Drive
Henrico, VA 23229

Office (804) 662-7000
Toll free (800) 552-5019
TTY Toll free (800) 464-9950
Fax (804) 662-9532

March 5, 2014

Ms. Sharon Harrup, CEO
Southside Training, Employment and Placement Services, Inc.
225 Industrial Park Rd.
Farmville, VA 23901

Dear Ms. Harrup: *Sharon*

Enclosed is the Compliance Report for the Department for Aging and Rehabilitative Services' (DARS) on-site monitoring visit to Southside Training, Employment and Placement Services, Inc.'s (STEPS) Title V SCSEP Program. The review was limited to the areas listed on the report and was conducted in Victoria on November 13 and 14, 2013 with Ryan Follett and STEPS' staff. The report is based on the review of applicable documents and records, site observations, and interviews with staff and participants.

Findings, observations, and commendations are included in the report. These were discussed with project staff at the time of the visit. In response to findings, please submit a corrective action plan to DARS' Division of Rehabilitative Services within 60 days. We would also request your response to observations and recommendations. DARS' staff will conduct an on-site follow up visit 30 days after receipt of STEPS' corrective action plan to review progress in addressing findings.

I would like to express my appreciation for the time spent, hospitality, and cooperation extended to my staff during the review. If you have any questions, please feel free to contact Patricia Cummins at pat.cummins@dars.virginia.gov or 804 662-7081.

Thank you for your service to older, mature workers. We look forward to hearing from you.

With best regards, I am

Sincerely,

James A. Rothrock

JAR/pc

**Virginia Department for Aging and Rehabilitative Services
Report on Title V SCSEP Program Compliance**

Agency: Southside Training, Employment and Placement Services, Inc. (STEPS)
Prepared by: Patricia Cummins, Title V Project Director

Scope of Review: The following compliance areas were reviewed on November 13 and 14, 2013.

- Sections A-O of the SCSEP Title V Monitoring Instrument (staff interviews and document reviews)
- Eligibility File Review
- Participant File Review
- Host Agency File Review
- Participant Interview
- Host Agency Interview

Results of Review

Findings:

1. **Eligibility:** There was missing eligibility documentation in two of the five participant files reviewed as follows:
 - a. Steward, F. – Recertification due on 4/09/13 had not been completed. There was no documentation of “Unemployed” at enrollment.
 - b. Fuller, B. – There was no documentation of zero income. There was no documentation of family size.

Required Corrective Action: The agency must collect and review all required eligibility information and place documentation in participant files for the files noted above. In addition, it must conduct an eligibility review of current participant files, obtain any missing eligibility documentation from participants, and ensure that documentation is placed in the participant’s file; any past due recertifications must be completed and required updated documentation obtained. Income eligibility determination must comply with all requirements of DOL’s TEGL 12-06. The agency’s corrective action plan must outline actions, including time lines, which will be taken to comply with this requirement.

2. **Participant Files:** There was no documentation of the required annual participant evaluation and supervisor evaluation in the file of F. Steward. DARS’ list of required forms for participant files is posted on its SCSEP web page.

Required Corrective Action: The agency must ensure that all participant file documentation is completed and complies with DARS’ file requirements. The agency’s corrective action plan must outline actions, including time lines, which will be taken to comply with this requirement.

- 3. Leave Without Pay:** STEPS' Leave Without Pay Policy does not align with DARS' Participant Leave of Absence Policy. STEPS' policy states that if the participant exceeds an approved four-week leave period, he/she may be terminated. DARS' policy specifies that an extension, under extenuating circumstance, may be granted for a total of 90 days. DARS' policy is posted on its Title V web page.

Required Corrective Action: The agency must revise its Leave of Absence policy for Title V participants to ensure that it complies with DARS' Title V Participant Leave of Absence Policy. The agency must distribute the revised policy to participants, obtain documentation that the policy was received, and revise the language in its participant handbook. The agency's corrective action plan must outline actions, including time lines, which will be taken to comply with this requirement.

- 4. Participant Termination Policy:** STEPS' Participant Termination Policy does not include all required components of DARS' Title V Participant Termination Policy. For example, "IEP-related reasons" for terminations are not listed in STEPS' policy. "Employed while enrolled" and "provision of false information" are not listed as reasons for terminations. DARS' policy is posted on its Title V web page. DARS' contract with subprojects includes termination policy requirements.

Required Corrective Action: The agency must revise its Termination Policy for Title V participants to ensure that it complies with DARS' DOL-approved Title V Participant Termination Policy and with DARS' contract. The agency must distribute the revised policy to participants, obtain documentation that the policy was received, and revise the language in its participant handbook. The agency's corrective action plan must outline actions, including time lines, which will be taken to comply with this requirement.

- 5. Complaint/Grievance Policy and Procedure:** STEPS' Title V Complaint/Grievance Policy and Procedure in its participant handbook states that for-cause violations are not grievable. This conflicts with requirements at Section 641.510 of DOL's SCSEP Regulations and with DARS' Title V Participant Termination Policy and DARS' Participant Grievance Policy, which require that the grievance procedure be provided to all participants involuntarily separated from the program.

Comment: STEPS was aware of this issue at the time of the visit and was making plans to revise grievance policy and procedure language in its Title V handbook.

Required Corrective Action: The agency must revise its Grievance Policy and Procedure for Title V participants to ensure that it complies with requirements pursuant to Section 641.510, DARS' DOL-approved Title V Participant Grievance Policy, and DARS' DOL-approved Title V Participant Termination Policy. The agency must distribute the revised policy and procedures to participants, obtain documentation that the policy and procedure were received, and revise the language in its participant handbook. The agency's corrective action plan must outline actions, including time lines, which will be taken to comply with this requirement.

Observation:

At the time of the visit, STEPS' staff indicated they were revising the Title V participant handbook. Revisions were discussed and staff acknowledged its plans to ensure that the revised handbook included updated guidance. The current Title V handbook includes a statement, as required, informing participants of the 48 month durational limit. The handbook states participants are allowed "48 months in the program unless a waiver is approved". Since Virginia did not adopt a waiver policy, waivers are not allowed and cannot be approved. Examples of other areas in the handbook which need revisions or further clarity are: a.) veteran's preference not included in the Enrollment Priority of Service section and, b.) incorrect definition of an enrolled participant in the Training Site Assignments section.

Recommendation: It is recommended that revisions to the handbook include removal of all conflicting information and guidance that does not apply to Title V participants or which conflicts with Title V policies.

Commendations:

The program is commended for its emphasis on the importance of computer literacy and its efforts to ensure that participants increase computer literacy as part of job preparation and training. STEPS has many good practices. Participants are referred to libraries which offer free computer classes. Title V staff periodically offers a two-hour once per week class for six weeks to Title V participants at the South Boston One-Stop Center. Host agencies are encouraged to allow participants to use computers to gain new computer skills at host agency work sites. STEPS, when feasible, offers one-on-one training to participants. Importance of computer literacy is emphasized during monthly participant meetings.

The program is commended on its practice of conducting monthly mandatory participant meetings and its choice of meeting topics. Topics include services and programs in the locality for which participants may qualify and which may help them in overcoming employment barriers, computer-related topics, training topics, and motivational and practical topics related to obtaining unsubsidized jobs. During meetings, the staff reinforces the program's purpose of short-term temporary training to prepare participants for unsubsidized jobs and emphasizes to participants that the host agency work assignment is not a "job".

The program is commended for its organization of participant files. Documentation was detailed, clear, and easily tracked.

It was noted that the participant interviewed during the host agency visit was well-matched to the host agency, had gained new skills, and was providing a valuable service to the community. Thus was a result of the partnership formed with the host agency by STEPS' staff and efforts to match the participant to a host agency that could provide new

skills. The staff has been in contact with the host agency regarding hiring the participant; hiring options were discussed during the visit.

Corrective Action Plan
STEPS, Inc. - Title V SCSEP Program
On-site monitoring visit - November 13/14, 2013

Findings:

1. Eligibility: There was missing eligibility documentation in two of the five participant files reviewed.

Corrective action plan:

Action to be taken - All SCSEP program files will be reviewed for eligibility documentation. All missing eligibility documentation will be obtained for the files noted in the Compliance Report as well as for any other case files found to be out of compliance with DOL's TEGL 12-06 and/or any other program regulations.

Timeline for corrective action:

Eligibility documentation review of all SCSEP case files - this activity was completed March 19, 2014.

Obtain any missing eligibility documentation and place it in the participant's file - this activity has already begun. It will be completed prior to June 30, 2014.

2. Participant Files: There was no documentation of the required annual participant evaluation and supervisor evaluation in the file of F. Steward.

Corrective action plan:

Action to be taken - The annual participant and supervisor evaluations for the case file of F. Steward will be completed and placed in the case file. All SCSEP case files will be reviewed for required DARS documentation. Any/all missing documentation will be completed and placed in the appropriate case file.

Timeline for corrective action:

Complete and file missing documentation for F. Steward - this activity has been completed.

Review **ALL** SCSEP case files for missing DARS required forms - this activity was completed March 19, 2014.

Obtain any missing DARS required forms and place in the participants' files - this activity has already begun. It will be completed prior to June 30, 2014.

3. Leave Without Pay: STEPS' Leave of Absence Policy does not align with DARS' Participant Leave of Absence Policy.

Corrective action plan:

STEPS, Inc. Leave of Absence Policy will be revised to ensure compliance with DARS Title V Leave of Absence Policy updated 1/1/12. Once the policy is revised, it will be distributed to each program participant who will be asked to sign a document acknowledging receipt of the revised policy. STEPS' SCSEP Program Participant Handbook is currently undergoing a complete review/revision to ensure compliance with all DOL/DARS policies and procedures, including leave of absence. All participants will receive the revised handbook upon completion.

Timeline for corrective action:

Revision of Leave of Absence Policy - June 20, 2014.

Complete review/revision of STEPS' SCSEP Program Participant Handbook - June 30, 2014.

Distribution of revised Leave of Absence Policy to all participants - July 1, 2014.

Distribution of revised handbook to all SCSEP participants - July 1, 2014.

4. Participant Termination Policy: STEPS' Participant Termination Policy does not include all required components of DARS' Title V Participant Termination Policy.

Corrective action plan:

STEPS, Inc. Participant Termination Policy will be revised to ensure compliance with DARS Title V Termination Policy - specifically, inclusion of all required components, i.e. Employed while enrolled, provision of false information, etc. Once the policy is revised, it will be distributed to each program participant who will be asked to sign a document acknowledging receipt of the policy. STEPS' SCSEP Program Participant Handbook is currently undergoing a complete review/revision to ensure compliance with all DOL/DARS policies and procedures. All participants will receive the revised handbook upon completion.

Timeline for corrective action:

Revision of Participant Termination Policy - June 20, 2014.

Complete review/revision of STEPS' SCSEP Program Participant Handbook - June 30, 2014.

Distribution of STEPS' Participant Termination Policy - July 1, 2014.

Distribution of revised handbook to all SCSEP participants - July 1, 2014.

5. Complaint/Grievance Policy and Procedure: STEPS' Title V Compliant/Grievance Policy and Procedure in its participant handbook states that for-cause violations are not grievable. This conflicts with requirements at Section 641.510 of DOL's SCSEP Regulations and with DARS' Title V Participant Termination Policy and DARS' Participant Grievance Policy.

Corrective action plan:

STEPS, Inc. Participant Complaint/Grievance Policy will be revised to ensure compliance with DARS Title V Participant Grievance Policy - specifically, the statement that "for-cause" violations are not grievable. Once the policy is revised, it will be distributed to all program participants who will be asked to sign documentation acknowledging receipt of the policy. STEPS' SCSEP Program Participant Handbook is currently undergoing a complete review/revision to ensure compliance with all DOL/DARS policies and procedures. All participants will receive the revised handbook upon completion.

Timeline for corrective action:

Revision of Participant Grievance Policy - June 20, 2014.

Complete review/revision of STEPS' SCSEP Program Participant Handbook - June 30, 2014.

Distribution of Participant Grievance Policy - July 1, 2014.

Distribution of revised handbook to all SCSEP participants - July 1, 2014.

Observation:

1. The current Title V Handbook includes a statement, as required, informing participants of the 48 month durational limit. The handbook states participants are allowed “48 months in the program unless a waiver is approved.” Examples of other areas in the handbook which need revisions or further clarity area: a) veteran’s preference not included in the Enrollment Priority of Service section and, b.) incorrect definition of an enrolled participant in the Training Site Assignments Section.

Corrective action plan:

STEPS’ SCSEP Program Participant Handbook is currently undergoing a complete review/revision to ensure compliance with all DOL/DARS policies and procedures. All participants will receive the revised handbook upon completion.

Timeline for corrective action:

Complete review/revision of STEPS’ SCSEP Program Participant Handbook - June 30, 2014.
Distribution of revised handbook to all SCSEP participants - July1, 2014.

U.S. Department of Labor

Office of Federal Contract
Compliance Programs

Richmond District Office
400 North 8th Street, Suite 466
Richmond, Virginia 23219-4822



June 21, 2013

Ms. Sharon Harrup
CEO
Steps, Inc.
225 Industrial Park Drive
Farmville, VA 23901

Dear Ms. Harrup:

Our recent evaluation of the equal employment opportunity policies and practices of Southside Training and Employment Placement Services, Inc.'s facility located at 225 Industrial Park Drive, Farmville, Virginia has been completed.

During the compliance evaluation process we found no apparent deficiencies or violations of the Executive Order 11246, as amended, Section 503 of the Rehabilitation Act of 1973, as amended or the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended (38 U.S.C. 4212). This determination may be modified by the Regional Director, or by the Director of the Office of Federal Contract Compliance Programs, within 45 days of the issuance of this letter.

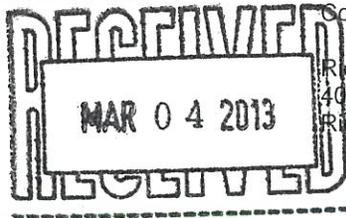
The Office of Federal Contract Compliance Programs sincerely appreciates the cooperation and courtesies extended by you and your staff during the conduct of the compliance review.

Sincerely,


GEORGE ROUSE, III
District Director
Richmond District Office

U.S. Department of Labor

Office of Federal Contract
Compliance Programs



Richmond District Office
400 North 8th Street, Suite 466
Richmond, Virginia 23219-4822

OMB NO. 1250-0003
Expires 03/31/2013

March 1, 2013

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Ms. Sharon Harrup
Chief Operating Officer
Southside Training & Employment Placement Services, Inc. (DBA Steps)
225 Industrial Park Road
Farmville, VA 23901

Dear Ms. Harrup:

The U.S. Department of Labor, Office of Federal Contract Compliance Programs (OFCCP) has selected your establishment located at **225 Industrial Park Road, Farmville, VA 23901** for a compliance review under Executive Order 11246, as amended, Section 503 of the Rehabilitation Act of 1973, as amended, and the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended, 38 U.S.C. 4212, and their implementing regulations at 41 CFR Chapter 60. In addition, the review will include an examination of your establishment's compliance with the Federal Contractor Veterans' Employment Report (VETS-100) requirements (38 U.S.C. 4212(d)).

OFCCP will conduct the compliance review as described in the regulations at 41 CFR 60-1.20(a)(1) and 60-250.60(a)(1), 60-300.60, and 60-741.60, which outline the three possible phases of the process. These phases may include a desk audit, an onsite review, and an offsite analysis.

For the desk audit, please submit the following information: (1) a copy of your Executive Order Affirmative Action Program (AAP) prepared according to the requirements of 41 CFR 60-1.40 and 60-2.1 through 60-2.17*; (2) a copy of your Section 503/38 U.S.C. 4212 AAP(s) prepared according to the requirements of 41 CFR Parts 60-741 and 41 CFR Parts 60-250 and/or 60-300, respectively; and (3) the support data specified in the enclosed Itemized Listing.

OFCCP will treat the information you submit in response to this letter as sensitive and confidential to the maximum extent permitted under the Freedom of Information Act.

The findings OFCCP makes during the desk audit generally will determine whether an onsite review will be necessary, and if so, whether the onsite review will focus on one, two, or several issues. If an onsite review is necessary, we will notify you.

You should note that 41 CFR 60-2.2 authorizes the initiation of enforcement proceedings if the materials you submit for desk audit do not represent a reasonable effort* to meet the requirements of the regulations.

Please submit your AAPs and the support data specified in the enclosed Itemized Listing to the address listed on page one of this letter as soon as possible, but no later than 30 days from the date of your receipt of this letter. We encourage you to submit as much information as possible in electronic format as doing so may reduce the amount of time it takes to complete our review.

If you have any questions concerning the compliance review, please feel free to contact Assistant District Director Heidi Lacy at (804) 888-6714.

Sincerely,



GEORGE ROUSE, III
District Director
Richmond District Office

Enclosure: Itemized Listing

***See Itemized Listing, "NOTE 1."**

NOTE: The authority for requesting the following information is Executive Order (EO) 11246, as amended; Section 503 of the Rehabilitation Act of 1973, as amended; and the Vietnam Era Veterans' Readjustment Assistance Act of 1974 (VEVRAA), as amended, 38 U.S.C. 4212. The information will be used in the compliance evaluation process. Furnishing the requested information is required. Failure to furnish the requested information may constitute noncompliance with the contractor's obligations per the above authorities.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 1250-0003. The time required to complete this information collection is estimated to average 28.35 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send any comments concerning this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden, to the Office of Federal Contract Compliance Programs, Room C-3325, 200 Constitution Avenue, N.W., Washington, D.C. 20210.

ITEMIZED LISTING

NOTE 1: The Executive Order AAP submission must demonstrate a reasonable effort to comply with 41 CFR Part 60-2. To do so, at a minimum, you must submit the following elements.

Both the AAP and support data are essential to conduct the desk audit phase of the compliance review. If any of the following information is computerized, you may submit it in an electronic format.

Executive Order AAP:

1. An organizational profile prepared according to 41 CFR 60-2.11.
2. The formation of job groups (covering all jobs) consistent with criteria given in 41 CFR 60-2.12;
3. For each job group, a statement of the percentage of minority and female incumbents, as described in 41 CFR 60-2.13;
4. For each job group, a determination of minority and female availability that considers the factors given in 41 CFR 60-2.14(c)(1) and (2);
5. For each job group, the comparison of incumbency to availability, as explained in 41 CFR 60-2.15.
6. Placement goals for each job group in which the percentage of minorities or women employed is less than would be reasonably expected given their availability, consistent with 41 CFR 60-2.16.

Support Data

7. A copy of your Employer Information Report EEO-1 (Standard Form 100 Rev., see 41 CFR 60-1.7) for the last three years.
8. A copy of your collective bargaining agreement(s), if applicable. Please also include any other information you have already prepared that would assist us in understanding your employee mobility system(s), e.g., promotion, etc.
9. Information on your affirmative action goals for the preceding AAP year and, where applicable (see below), progress on your goals for the current AAP year. See 41 CFR 60-1.12(b), -2.1(c) and -2.16.

ITEMIZED LISTING (continued)

- 2 -

For the preceding AAP year, this report must include information that reflects:

- (a) job group representation at the start of the AAP year, (i.e., total incumbents, total minority incumbents, and total female incumbents);
- (b) the percentage placement rates (% goals) established for minorities and/or women at the start of the AAP year; and
- (c) the actual number of placements (hires plus promotions) made during the AAP year into each job group with goals (i.e., total placements, total minority placements, and total female placements). For goals not attained, describe the specific good faith efforts made to achieve them.

If you are six months or more into your AAP year on the date you receive this listing, please also submit information that reflects progress on goals established in your current AAP, and describe your implementation of action-oriented programs designed to achieve these goals (see 41 CFR 60-2.17(c)).

10. Data on your employment activity (applicants, hires, promotions, and terminations) for the preceding AAP year and, if you are six months or more into your current AAP year when you receive this listing, for the current AAP year. These data must be presented either by job group (as defined in your AAP) or by job title (see 41 CFR 60-3.4 and 3.15).
 - a. Applicants and Hires: The regulations at 41 CFR 60-2.17(b) and (d) require an analysis of your selection process, including whether the process eliminates a significantly higher percentage of minorities or women than nonminorities or men.

For each job group or job title, this analysis must consist of the total number of applicants and the total number of hires, as well as the number of minority and the number of female applicants and hires.

However, if some of your job groups or titles (most commonly, entry-level) are filled from the same applicant pool, you may consolidate your applicant data (but not hiring data) for those job groups or titles.

For example, where applicants expressly apply for or would qualify for a broad spectrum of jobs (such as "Production," "Office," etc.) that includes several job groups, you may consolidate applicant data.

ITEMIZED LISTING (continued)

- 3 -

- b. Promotions: The regulations at 41 CFR 60-2.17(b) and (d) require an analysis of your promotion practices to determine if upward mobility of minority or female employees is occurring at a lesser rate (compared to workforce mix) than nonminority or male employees.

For each job group or job title, this analysis must consist of the total number of promotions, as well as the number of minority and the number of female promotions.

Please note that:

- (1) If you present promotions by job group, indicate how your company defines promotions and the basis on which the data were compiled (e.g., promotions to the job group, from and/or within the job group, etc.), or
- (2) If you present promotions by job title, include the department and job group from which and to which the person(s) was promoted.

- c. Terminations: The regulations at 41 CFR 60-2.17(b) and (d) require an evaluation of the degree to which nondiscrimination policy is carried out with respect to employee terminations.

For each job group or job title, this analysis must consist of the total number of employee terminations, as well as the number of minority and the number of female terminations.

Please note that if you present terminations by job title, include the department and job group from which the person(s) terminated.

11. Please provide annualized compensation data (wages, salaries, commissions, and bonuses) by either salary range, rate, grade, or level showing total number of employees** by race and gender and total compensation by race and gender. Present these data in the manner most consistent with your current compensation system. If you maintain the information in electronic format, please submit in that format. See 41 CFR 60-1.4(a)(1). You may also include any other information you have already prepared that would assist us in understanding your compensation system(s). Alternatively, under the voluntary guidelines for self-evaluation of compensation practices, 71 Fed. Reg. 35114 (June 16, 2006), you have the option of seeking compliance coordination. If you so choose, you need not submit the annualized compensation data outlined in Item 11. However, you must notify OFCCP that you “seek compliance coordination under the voluntary OFCCP compensation self-evaluation guidelines.”

**For this purpose, the method used to determine employee totals by the contractor should be the same as that used to determine employee totals in the organizational profile for the AAP.

STEPS, Inc.
Board of Directors Meeting
July 26, 2012

Board members present: Teresa Stewart, Peter Kapuscinski, Jennifer Townsend,
Ken Patterson and Kim Barbour

Board members absent: Patricia Tucker, Tessie Bacon and Bonnie Swanson

Staff present: Sharon Harrup, Ryan Follett, Nancy Conner, Katherine Beale
Cynthia Saunders

Staff absent: Richard Woody

Others present: Jim Mitchell and Curtis Inge

The meeting was called to order by Teresa Stewart, Vice Chair, at 8:30 a.m.

1. **Declaration of Conflict of Interest** – No conflict of interest was declared by Board members.
2. **Introduction of Operations Manager for Secure Document Destruction** – Sharon introduced Curtis Inge as the Operations Manager for Secure Document Destruction.
3. **Approval of the Minutes**
 - a. A motion was made by Peter Kapuscinski and seconded by Kim Barbour to approve the April 26, 2012 minutes as mailed. Unanimous.
 - b. A motion was made by Peter Kapuscinski and seconded by Kim Barbour to approve the June 28, 2012 minutes as mailed. Unanimous.
4. **Financial Reports** – Jim Mitchell
 - a. STEPS received a RABU contract to manufacture 76,000 jackets annually. Pricing is still being done on the jacket. If the RABU contract does not come in by mid-August there will be a shutdown of Victoria Manufacturing operations.
 - b. STEPS has an unaudited year end net operating loss of (\$230,423.17).
 - c. The Finance Committee agreed to meet at a later date to discuss a new financial format for the quarterly presentation to the Board of Directors. One issue: since STEPS does not have a Vice President of Finance, it would not be prudent to have a cash flow statement at the current time.

5. **CARF Required Reviews**

- a. **Accessibility Plan Summary for FY2011/2012** – Ryan reviewed the accomplishments, which included:
- 1) STEPS continues to provide training to its staff in an effort to keep their skills and education levels competitive.
 - 2) A “van accessible” sign has been placed at the handicap parking space at the Corporate Office Building. Work is underway to improve the lobby door’s operation through reduction of pressure and adjustments to the hardware.
 - 3) STEPS’ staff has worked diligently to maintain community awareness of services during the fiscal year.
- b. **Accessibility Plan FY2012/2013** – Ryan reviewed the Accessibility Plan for FY2013. The barriers that need to be addressed this fiscal year include:
- 1) The need for ongoing staff training to maintain knowledge/skills and prepare for new services/programs for the populations being served.
 - 2) Maintenance of community awareness concerning services that are provided.
 - 3) Maintain service and safety training/certifications.

A motion was made by Peter Kapuscinski and seconded by Kim Barbour to accept the 2012/2013 Accessibility Plan as presented. Unanimous.

- c. Each Board member was asked to review and sign the Board Member Code of Ethics. For those members not present, a copy will be sent to each for review and signature.
6. **Benefit Board Report** – Kim Barbour stated there were 3 more fundraising events scheduled for this calendar year. They are as listed:
- a. September 12th - Golf Tournament held at Lake Gaston
 - b. October 13th - Gala
 - 1) 80’s theme
 - 2) Love Tribe Band will perform
 - c. November 9th and 10th - Shopping With a Cause

7. **Loan Opportunity** – Sharon Harrup

Sharon Harrup re-introduced the opportunity for STEPS to take advantage of a NISH loan, \$76,918.00 at 0% for 5 years, for “retroactive financing” of STEPS’ secure document destruction shredding business. Sharon Harrup had met with NISH personnel in January, 2012 to express concerns over the lack of funding for STEPS when other organizations in Virginia were given “start-up funding.” The NISH Board agreed to offer STEPS the loan being discussed.

A motion was made by Peter Kapuscinski and seconded by Ken Patterson to apply for

and accept the \$76,918.00 NISH loan to support STEPS' ongoing document shredding operations with the condition that STEPS have an operating budget for the Secure Document Destruction department in 30 days. Unanimous.

8. **Executive Team Reports** – Reports were included in Board packet.
9. **Committee Assignments** – 2012-2013 Committee Appointments were included in Board packet.
10. **Executive Session** – The Board of Directors went into Executive Session to discuss legal issues.
11. **Next Meeting** – The next meeting will be held on Thursday, October 25, 2012 at 8:30 a.m. at the Corporate Office.

There being no further business, the meeting was adjourned at 10:00 a.m.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Jennifer P. Townsend".

Jennifer Townsend, Secretary

STEPS, Inc.
Called Meeting of the Board of Directors
October 8, 2012

Board members present: Patricia Tucker, Teresa Stewart, Peter Kapuscinski, Jennifer Townsend, Ken Patterson, Tessie Bacon, Bonnie Swanson and Kim Barbour

Staff present: Sharon Harrup, Ryan Follett, Nancy Conner, Katherine Beale, Richard Woody and Cynthia Saunders

The meeting was called to order by Patricia Tucker, Chair, 9:05 a.m. and immediately went into closed session to discuss pending litigation.

Once the Board returned to Open Session, Sharon Harrup, President & CEO, and Cynthia Saunders, who records the minutes, were invited to rejoin the Board.

A motion was made by Patricia Tucker and seconded by Teresa Stewart to appoint a committee to oversee litigation, budget, work plan, i.e. restructuring plan for short term sustainability and long term reorganization. The committee will have authority to work with operational management recommending immediate actions to be taken for short term sustainability. Said recommendations will be sent to the Board accordingly. For longer term reorganization, the committee will make recommendations to the Board. Unanimous.

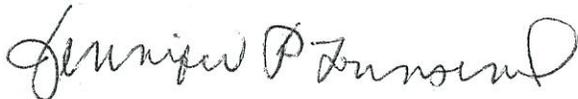
The members on said committee are Tessie Bacon, Ken Patterson and Peter Kapuscinski.

After discussing financial and pending litigation concerns of STEPS, the Board of Directors informed Ms. Harrup that the Vice Presidents should no longer be included in the Board meetings unless they were making a scheduled presentation. The Board did not believe the Vice Presidents should be exposed to the legal conversations that might create a "need to leave." It was acknowledged that their help would be critical in the restructuring of STEPS. It will be Ms. Harrup's role to keep the VP's informed as needed.

A motion was made by Tessie Bacon and seconded by Ken Patterson to retain the law firms of CowanGates and Tavenner and Beran as legal counsel to represent STEPS in the pending legal actions. Unanimous.

There being no further business, the meeting was adjourned at 11:15 a.m.

Respectfully Submitted,



Jennifer Townsend, Secretary

STEPS, Inc.
Board of Directors Meeting
November 1, 2012

Board members present: Teresa Stewart, Jennifer Townsend, Peter Kapuscinski, Kim Barbour, Patricia Tucker and Ken Patterson

Board members absent: Bonnie Swanson and Tessie Bacon

Staff present: Sharon Harrup and Cynthia Saunders

Others present: Tom Hill, CPA – Hill & Davis, Jim Mitchell and David Myers

The meeting was called to order by Patricia Tucker, Chair, at 8:30 a.m.

1. **Approval of the July 26, 2012 & October 8, 2012 Minutes** – A motion was made by Peter Kapuscinski and seconded by Ken Patterson to approve the July 26, 2012 and October 8, 2012 minutes as mailed. Unanimous.

2. **Presentation of FY12 Audit** – Tom Hill presented STEPS annual audit for the fiscal year ending June 2012. Highlights included:
 - a. Total revenue for the fiscal year was \$5,638,472.00, compared to \$4,919,350.00 for the fiscal year ending June 2011; up \$719,122.00 from the previous year.
 - b. Total expenses for the fiscal year was \$5,391,339.00, compared to \$5,122,928.00 for the fiscal year ending June 2011; an increase of \$268,411.00 from the previous year.
 - c. Accounts payable for the fiscal year was \$1,033,846.00, up \$571,811.00 from the previous year.
 - d. Accounts receivable for the fiscal year was \$170,762.00, down \$187,614.00 from the previous year.
 - e. Cash and cash equivalents at the end of the fiscal year was \$239,356.00 which was up considerably from \$28,255.00 in the previous year.
 - f. The County of Prince Edward secured grant money through The Department of Mines, Minerals and Energy for STEPS in the amount of \$1,009,002.00 to replace the roof, HVAC system and lights in The STEPS Centre. Because the building is encumbered by the county until March 21, 2012, the book value of the assets used to improve the building is also accounted for in the financial statements as temporarily restricted fund.
 - g. Hill & Davis, CPA stated that STEPS incurred significant losses in 2012, and as of June 30, 2012, only had enough cash and cash equivalents sufficient to support its operations for several months. This factor raised substantial doubt about STEPS ability to continue and resulted in a documented "going concern."

A motion was made by Jennifer Townsend and seconded by Ken Patterson to accept and approve STEPS 2012 audit as presented. Unanimous.

3. **First Quarter Financial Reports** – Jim Mitchell

- a. STEPS had a loss of \$73,663.51 for the quarter ending September 30, 2012.
- b. The ACU contract was completed in Victoria in late September. The first delivery on the RABU is scheduled by the end of October.
- c. The immediate concern for next quarter is survival without cash profits.

4. **CARF Accreditation Required Reviews**

- a. **2011 Strategic Planning Session** – A motion was made by Ken Patterson and seconded by Jennifer Townsend to table the discussion on the Strategic Plan until STEPS gets its financial restructuring in place. Unanimous.
- b. **Personnel Policies Review** – A motion was made by Peter Kapuscinski and seconded by Ken Patterson to leave the personnel policies as they are currently written until STEPS gets its financial restructuring in place. Unanimous.
- c. **Computer/Technology Review** – A motion was made by Peter Kapuscinski and seconded by Kim Barbour to table the discussion on computer upgrades until STEPS gets its financial restructuring in place. Unanimous.

5. The Board went into closed session to discuss pending litigation. After returning to open session,

A motion was made by Peter Kapuscinski and seconded by Ken Patterson to send a letter to the Town of Farmville with an offer to sell the STEPS corporate office building and property with a sales price of \$750,000.00 which will retire the mortgage, cover moving expenses and business interruption losses. Unanimous.

A motion was made by Peter Kapuscinski and seconded by Ken Patterson to allow Diversitex to execute a second deed of trust on the corporate office building & property if an outright sale for the property to the Town of Farmville cannot be completed. It must be stated and agreed by Diversitex that the executed second deed of trust will be sufficient to resolve the existing legal action brought by Diversitex and in the event of an outright sale of the property, should that occur subsequent to signing said deed of trust to Diversitex, that any excess therefrom shall be solely for the account of STEPS Incorporated and no further claim will be made by Diversitex or any assignee thereof. Unanimous.

6. **Vice President Reports** – Reports were included in the Board packet.

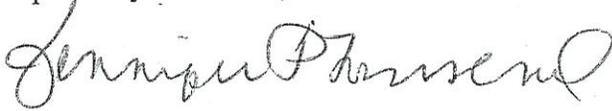
7. **Other Business** – David Myers gave a presentation on the Sales and Marketing of the Secure Document Destruction business. Highlights include:

- a. There is quick growth opportunity in Southside Virginia.
- b. STEPS has been a brand name for over 30 years. STEPS will use brand name to its advantage.
- c. STEPS is running trucks in Southside Virginia. There are 1200 licensed businesses in Crewe, Victoria, Farmville and McKenney, which there is little competition for shredding services.
- d. David hopes to land 100 new A accounts (\$45.00each) and & B accounts (\$120 each) in 6 months and a total of 300 new accounts in 12 months.

- e. Katherine Beale's current position, VP of Corporate Development, will be eliminated and she will become a Sales and Marketing Representative. Katherine report to David Myers, Sales and Marketing Coordinator. Katherine's current salary will remain the same for 90 days; thereafter her base will be \$24,000 plus commission. Neither David or Katherine will have Vice President titles.
8. The Repeat Boutique is cutting hours from 39 to 25 per week. The Boutique will be open from Wednesday through Saturday instead of Monday through Saturday.
9. **Next Meeting** – The next meeting will be held on Thursday, January 24, 2013 in the Farmville Corporate Office.

There being no further business, the meeting was adjourned at 10:45 a.m.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Jennifer Townsend".

Jennifer Townsend, Secretary

STEPS, Inc.
Board of Directors Meeting
January 24, 2013

Board members present: Patricia Tucker, Jennifer Townsend, Teresa Stewart, Ken Patterson, Kim Barbour and Peter Kapuscinski by phone

Board member absent: Bonnie Swanson and Tessie Bacon

Staff present: Sharon Harrup and Cynthia Saunders

Others present: Jim Mitchell, STEPS Contract Financial Officer

The meeting was called to order by Patricia Tucker, Chair, at 8:30 a.m.

1. **Approval of the November 1, 2012 Minutes** – A motion was made by Ken Patterson and seconded by Jennifer Townsend to approve the November 1, 2012 minutes as mailed. Unanimous.
2. **Financial Reports** – Jim Mitchell
 - a. STEPS had a loss of \$155,072.14 for the quarter ending December 31, 2012 and a year to date loss of \$174,701.64 not including depreciation.
 - b. The immediate concern for next quarter is survival without cash profits.
3. **CARF Required Review** – Ryan Follett

2012 Outcomes Measurement Report – Ryan Follett presented the results of the Outcomes Measurement Report for each of the services that STEPS provided to its participants during the 2011-2012 fiscal year. Achievements included:

Community Employment Services	83% goal achievement
Extended Employment	71% goal achievement
Situational Assessment	60% goal achievement
Work Adjustment Training	83% goal achievement

There was an average goal attainment of 79.25% which falls within the "Satisfied/Satisfactory" category. This is below the previous report period goal attainment of 82%.

A motion was made by Teresa Stewart and seconded by Ken Patterson to accept the Outcomes Measurement Report as presented. Unanimous.

4. **Financial Subcommittee Report** – The implementation of several cost saving and reorganizational items were discussed. The estimated annual cost of the items discussed were \$97,200.00. Some of the items included were:
 - a. Deletion of positions in the Rehabilitation/Support Services and Document Destruction Services Departments.
 - b. Repurposing and recalculating rental fees at The STEPS Centre.

- c. Cutting the operational hours at the Recycling Center.
 - d. Cutting the operational hours at The Repeat Boutique or seeing if the Benefit Board would be willing to assume responsibility of the boutique. If the Benefit Board is not willing to assume responsibility of operating the boutique; it will be closed.
 - e. Bringing direct labor hours in line with costing on the RABU jacket in Victoria.
5. **Executive Session** – The Board of Directors went into Executive Session to discuss personnel and legal issues.
6. **CEO's Report** – Sharon Harrup
- Board Member, Peter Kapuscinski, PetLin Development Company, has been asked to provide an analysis of the Victoria Manufacturing operation. This assessment will include recommendations to improve the work processes, access production flow and to best utilize employee skill sets. Following our Conflict of Interest policy, the Board will be provided with a written notice and then a poll vote taken prior to the initiation of this consultant agreement.
7. **Board Member Comments/Updates**
- By Board consensus, it was agreed that the Board should consider expanding its membership to individuals with industrial and financial leadership abilities.
8. **Executive Team Reports** – Reports were included in the Board packet.
9. **Next Meeting** – The next meeting will be held on Thursday, April 25, 2013 at the Victoria Plant.

There being no further business, the meeting was adjourned at 10:12 a.m.

Respectfully submitted,



Jennifer Townsend, Secretary

STEPS, Inc.
Board of Directors Meeting
April 25, 2013

Board members present: Patricia Tucker, Teresa Stewart, Jennifer Townsend, Tessie Bacon, Ken Patterson and Peter Kapuscinski

Board members absent: Kim Barbour and Bonnie Swanson

Others present: Jim Mitchell, Tom Field, BB&T Insurance Representative and Attorney Frank Rennie

Staff present: Sharon Harrup and Cynthia Saunders

The meeting was called to order by Patricia Tucker, Chair, at 8:30 a.m.

1. **Introduction of the Victoria Plant Leadership Team** – Sharon introduced the Victoria Plant Leadership Team to the Board of Directors. Members of the Team included Ryan Follett, Dalton Elder, Vanessa Watson and Betty Hurt. Ryan gave an overall preview of the goals and objectives for the Team in the upcoming months. Some of the goals include:
 - a. Maintain production
 - b. Increase efficiency
 - c. Reduce overhead by head count and by lowering costs through service contracts not needed
 - d. Improving quality control processes
 - e. Reorganize and redesign production floor
2. **Approval of the January 24, 2013 Minutes** – A motion was made by Ken Patterson and seconded by Teresa Stewart to approve the January 24, 2013 minutes as mailed. Unanimous.
3. **Financial Reports** – Jim Mitchell
 - a. STEPS' total assets and liabilities for the quarter ending March 2013 were \$2,601,119.25.
 - b. STEPS had a pre-depreciation net operating loss of \$65,380.13 for the quarter.
 - c. The STEPS Centre carries a cost of \$11,000 per month if there are no operations in the building.
 - d. The goal for the Victoria Manufacturing Plant is to ship 14 pallets of the RABU jackets per month. This would give STEPS an additional \$24,000 per month to help pay down debt.
4. **Corporate Authorization Resolution** – A motion was made by Teresa Stewart and seconded by Jennifer Townsend to sign the banking Corporate Authorization Resolution between The Bank of Charlotte County and STEPS, Inc. Unanimous.
5. **Renewal of Corporate Office Note** – A motion was made by Pete Kapuscinski and seconded by Ken Patterson to renew The Bank of Charlotte County loan for February 2013 through February 2014. Unanimous.

6. **CARF Required Activity**
 - a. **Facility Insurance Review** – Tom Field reviewed STEPS insurance package for 2013.
 - b. **Risk Management Plan Review** – Sharon reviewed STEPS' 2013 Risk Management Plan.

7. **Nominating Committee Update**
 - a. The Nominating Committee will compile a slate of officers for the upcoming fiscal year to be presented at the June meeting.
 - b. Prospective board members Wanda Bass, William McGuire and Will Showalter have been approached to serve on STEPS Board of Directors.

8. **CEO's Contract and Annual Evaluation** – By Board consensus, it was agreed that the CEO's evaluation should be done by the entire Board of Directors. Their comments and suggestions will be presented to Sharon Harrup at the June meeting.

9. **Executive Team Reports** – Reports were included in the Board packet.

10. **Other Business** – A motion was made by Ken Patterson and seconded by Pete Kapuscinski to allow STEPS to expand its mission to include, but not limited to, programs that support citizens at risk in our communities; strategically evaluating support programs and funding availability provided by other entities that are going out of business.
Unanimous.

11. **Executive Session** – The Board of Directors went into Executive Session to discuss personnel and legal issues. Upon exiting the Executive Session, it was announced that nothing but personnel and legal issues were discussed and no action was taken.

12. **Next Meeting** – The next meeting will be held on Thursday, June 27, 2013 at 8:30 a.m. in the Corporate Office in Farmville.

There being no further business, the meeting was adjourned at 12:15 p.m.

Respectfully submitted,



Jennifer Townsend, Secretary

STEPS, Inc.
Board of Directors Meeting
June 27, 2013

Board members present: Patricia Tucker, Teresa Stewart, Jennifer Townsend, Bonnie Swanson, Ken Patterson and Peter Kapuscinski

Board members absent: Kim Barbour and Tessie Bacon

Staff present: Sharon Harrup and Cynthia Saunders

The meeting was called to order by Patricia Tucker, Chair, at 8:30 a.m.

The Board of Directors immediately went into Closed Session to discuss personnel and legal issues. Upon exiting the Closed Session no motions were made.

1. **CEO's Contract and Evaluation** – The CEO's contract and evaluation was discussed in Closed Session. This topic will be revisited at the conclusion of the other agenda items.
2. **Budget: 2013-2014** – Ken Patterson presented the 2013 – 2014 budget. Highlights include:
 - a. The budget projects an annual operating profit of \$70,135.62; but STEPS has \$100,000.00 in debt repayments that must be paid annually. Thus, there is an annual \$30,000.00 shortfall.
 - b. Secure Document Destruction Services (shred operations) has a projected annual loss of \$68,145.04.

The Board of Directors again went into Closed Session to discuss the legal and personnel issues. Upon exiting the Closed Session, the following motions were made.

A motion was made by Ken Patterson and seconded by Pete Kapuscinski to operate the first quarter (July, August and September 2013) under the proposed budget with the understanding that the budget could be revised at anytime by the Board during that quarter. Unanimous.

A motion was made by Ken Patterson and seconded by Pete Kapuscinski to close the shred operations and the Board be notified by July 15th as to the response from Secure Document Alliance (SDA). Unanimous.

A motion was made by Pete Kapuscinski and seconded by Ken Patterson for Sharon Harrup to approach Prince Edward County to sell the STEPS Centre building. Unanimous.

3. **Nominating Committee Report** – The Nominating Committee presented the slate of officers for the 2013-2014 fiscal year.

The following slate of officers was presented for the 2013-2014 fiscal year.

Chair	Pete Kapuscinski	Buckingham County
Vice Chair	Teresa Stewart	Cumberland County
Secretary	Jennifer Townsend	Prince Edward County
Treasurer	Ken Patterson	Lunenburg County

Tessie Bacon agreed to serve an additional three year term.

Wanda Bass, representing Prince Edward County was presented as a nominee to serve on the STEPS Board of Directors.

Bonnie Swanson will be rotating off of the Board after serving six years.

A motion was made by Jennifer Townsend and seconded by Bonnie Swanson to accept the slate of officers for the 2013-2014 fiscal year and to accept the new nomination to the Board of Directors. Unanimous.

4. **Corporate Authorization Resolution** – A motion was made by Pete Kapuscinski and seconded by Bonnie Swanson to sign the Corporate Authorization Resolution (banking relations) between The Bank of Charlotte County and STEPS, Inc. for the 2013-2014 fiscal year. Unanimous.
5. **Mission Statement Review** – A motion was made by Pete Kapuscinski and seconded by Ken Patterson to delay the revision of STEPS' mission statement until the fall 2013 Strategic Planning Session. Unanimous.
6. **By-Laws Review** – A motion was made by Teresa Stewart and seconded by Pete Kapuscinski to accept the bylaws as amended.
7. **Schedule of 2013-2014 Meetings**

Thursday, August 8, 2013* note this is a change*
Thursday, October 24, 2013
Thursday, January 23, 2014
Thursday, April 24, 2014
Thursday, June 26, 2014

8. **Membership Roster** - A motion was made by Jennifer Townsend and seconded by Teresa Stewart to remove Kim Barbour from the Board of Directors due to lack of attendance. Unanimous. A letter thanking Ms. Barbour for her service will be sent under the Chair's signature.
9. **CEO's Contract and Evaluation** - The Board met with Sharon Harrup, CEO, and presented her annual job performance evaluation. Ms. Harrup has been asked to work for 90 days without a contract in place to allow time for the Board to secure legal advice on contract specifics. Ms. Harrup agreed.

There being no further business, the meeting was adjourned at 12:30 p.m.

Respectfully Submitted,



Jennifer Townsend, Secretary

STEPS, Inc.
Board of Directors Meeting
August, 8, 2013

Board members present: Pete Kapuscinski, Jennifer Townsend, Teresa Stewart,
Ken Patterson and Patricia Tucker

Board members absent: Tessie Bacon and Wanda Bass

Staff present: Sharon Harrup, Ryan Follett, and Cynthia Saunders

Others present: Jim Mitchell

The meeting was called to order by Pete Kapuscinski, Chair, at 8:30 a.m.

1. **Declaration of Conflict of Interest** – No conflict of interest was declared by Board members.
2. **Approval of the Minutes**
 - a. A motion was made by Patricia Tucker and seconded by Jennifer Townsend to approve the April 25, 2013 minutes as mailed. Unanimous.
 - b. A motion was made by Patricia Tucker and seconded by Jennifer Townsend to approve the June 27, 2013 minutes as mailed. Unanimous.
3. **Financial Reports** – Jim Mitchell
 - a. The balance sheet shows a significant drop in cash from last fiscal year. This is due to the government paying their invoices approximately every fourteen days instead of every thirty days. On the flip side, receivables show a significant increase from last fiscal year.
 - b. The large swing in accounts payable from last fiscal year is due to the fact that Diversitex and Navajo payables are now listed as short term notes payables.
 - c. STEPS had a pre-depreciation net operating loss of \$19,797.94 for the quarter ending June 30, 2013.
 - d. STEPS had a pre-depreciation net operating loss of \$256,785.71 and an after depreciation loss of \$338,618.76 for the fiscal year ending June 30, 2013.
 - e. A discussion centered around how best to book the \$50,000 court ordered charitable contribution that will be received from Diversitex as much as ten years in the future. Sharon said she would speak with Tom Hill from Hill & Davis and get back to the board with the information.
4. **CARF Required Items**
 - a. **Accessibility Plan Summary for FY2012/2013** – Ryan reviewed the accomplishments, which included:
 - 1) STEPS continues to provide training to its staff in an effort to keep their skills and education levels competitive.

- 2) STEPS' employees has continued to maintain services and employees are up to date on safety related trainings and certifications.
 - 3) STEPS' staff has worked diligently to maintain active participation in community events and to distribute written information about its services.
- b. **Accessibility Plan FY2013/2014** – Ryan reviewed the Accessibility Plan for FY2014. The barriers that need to be addressed this fiscal year include:
- 1) The need for ongoing staff training to maintain knowledge/skills and prepare for new services/programs for the populations being served.
 - 2) Maintenance of community awareness concerning services that are provided.
 - 3) Maintain service and safety training/certifications.
 - 4) The need to research and develop new sources for service funding.

A motion was made by Ken Patterson and seconded by Teresa Stewart to accept the 2013/2014 Accessibility Plan as presented. Unanimous.

- c. The Assessment of Board Effectiveness Self Rating Scale form was explained during the meeting. The members were asked to complete the form and return it as soon as possible for computation.
 - d. Each Board member was asked to review and sign the Board Member Code of Ethics. For those members not present, a copy will be sent to each for review and signature.
5. **By-Laws Review** – A motion was made by Teresa Stewart and seconded by Ken Patterson to accept the bylaws as emailed with the following change to Article VI: Section 1e: recruitment/hiring should be changed to recruiting/hiring. Unanimous.
6. **Committee Assignments & Discussion** – 2013-2014 Committee Appointments were passed out at the Board meeting. Pete explained to the Board what was expected from each of the Standing Committees.
7. **“Shopping With a Cause” Update** – Myra Quicke
- a. The Farmville Christmas Show will be held on Saturday, November 9th and Sunday, November 10th. It will be the only fundraiser this year by the Benefit Board.
 - b. The Benefit Board hopes to raise between \$25,000 - \$30,000 on The Farmville Christmas Show.
 - c. The Benefit Board's goal is to have at least 100 vendors.
 - d. There will be a Santa's workshop and breakfast with Santa to attract the children.
8. **CEO Update**
- a. Due to the numerous regulations surrounding the Affordable Care Act, STEPS has changed their agent of record for health insurance from Myers Insurance Company to Wells Fargo Insurance Services. Wells Fargo Insurance Services has a team of lawyers dedicated to keeping up with those regulations. A representative from Wells Fargo will be attending our October meeting.
 - b. STEPS is currently in the process of a position review evaluation of all jobs in the organization.

- c. Please reserve the date of September 20th for the Board Retreat. The facilitator will be Becky Clay-Christensen. More information to follow at a later date.
 - d. STEPS has decided to develop the two programs for the homeless that the organization has committed to doing. These two programs are the Homelessness Prevention Program and the Emergency Services Grant.
9. **Staff Reports** – Reports were included in the board packet.
10. **Closed Session** – The Board of Directors went into Executive Session to discuss legal issues.
11. **Next Meeting** – The next meeting will be held on Thursday, October 24, 2013 at 8:30 a.m. in Victoria.

There being no further business, the meeting was adjourned at 12:30 p.m.

Respectfully submitted,



Jennifer Townsend, Secretary

STEPS, Inc.
Board of Directors Meeting
October 24, 2013

Board members present: Teresa Stewart, Jennifer Townsend, Pete Kapuscinski, Wanda Bass, Patricia Tucker and Ken Patterson

Board members absent: Tessie Bacon

Staff present: Sharon Harrup, Ryan Follett and Cynthia Saunders

Others present: Tom Hill, CPA – Hill & Davis; Lucy McKinney, Account Executive for Wells Fargo Insurance Services; and Jim Mitchell

The meeting was called to order by Pete Kapuscinski, Chair, at 8:30 a.m.

1. **Approval of the August 8, 2013 Minutes** – A motion was made by Jennifer Townsend and seconded by Patricia Tucker to approve the August 8, 2013 minutes as mailed. Unanimous.

2. **Closed Session**

A motion was made by Teresa Stewart that the STEPS Board convene in Closed Session to discuss personnel pursuant to the exemptions provided for in Section 2.2-3711(A)(1) of the Code of Virginia. The motion was seconded by Ken Patterson. Unanimous.

A motion was made by Ken Patterson that the STEPS Board return to open session. The motion was seconded by Teresa Stewart. Unanimous.

A roll call vote was taken. Unanimous.

Ken Patterson made the following motion:

I move we certify the closed meeting in accordance to the Virginia Freedom of Information Act:

WHEREAS, the STEPS Board of Directors convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of The Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3712 of the Code of Virginia requires a certification by this Board that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED that the STEPS Board of Directors hereby certifies that to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed, or considered by the STEPS Board of Directors.

The motion was seconded by Teresa Stewart.

Any member who believes that there was a departure from the requirements of clauses (i) and (ii) shall state the substance of the departure that, in his/her judgment has taken place.

A roll call vote was taken. Unanimous.

A motion was made by Ken Patterson and seconded by Teresa Stewart to accept the CEO's contract as presented. Unanimous.

3. **Presentation of FY13 Audit** – Tom Hill presented STEPS annual audit for the fiscal year ending June 2013. Highlights included:

- a. Total revenue for the fiscal year was \$4,071,064.00, compared to \$5,638,472.00 for the fiscal year ending June 2012; down \$1,567,408.00 from the previous year.
- b. Total expenses for the fiscal year was \$4,352,909.00, compared to \$5,391,339.00 for the fiscal year ending June 2012; a decrease of \$1,038,430.00 from the previous year.
- c. Accounts payable for the fiscal year was \$305,086.00, down \$728,760.00 from the previous year primarily because of the two fabric vendor invoices STEPS was able to convert to long term notes payables.
- d. Accounts receivable for the fiscal year was \$274,594.00, up \$103,832.00 from the previous year.
- e. Cash and cash equivalents at the end of the fiscal year was \$239,356.00 which was up considerably from \$28,255.00 in the previous year.
- f. Inventory at the end of the fiscal year was \$139,190; down \$145,777.00 from the previous year.

A motion was made by Wanda Bass and seconded by Jennifer Townsend to accept and approve STEPS 2013 audit with clarifications made to the "Going Concern" statement. Unanimous.

4. **First Quarter Financial Reports** – Jim Mitchell

- a. STEPS made a of post depreciation profit of \$49,347.10 for the quarter ending September 30, 2013.
- b. The immediate concern going forward is not being able to purchase 6,800 yards of fabric every two weeks. RABU shipments were short by 1,400 pieces (3 pallets) last quarter. If this trend continues, the contracting officer will either give STEPS a bridge order to catch up the 6,000 pieces, lower our monthly requirement to 5,800 pieces, which will destroy STEPS budget or cancel the contract. Sharon also stated that there is also some work that needs to be done on the financial side of production to make sure labor and production costs are contained.

5. **CARF Accreditation Required Reviews**

- a. **Personnel Policies Review** – A motion was made by Teresa Stewart and seconded by Patricia Tucker to table the personnel policies review until the April meeting so that the Board could make recommendations to the Policy/By-Laws Committee on any changes needed by December 31, 2013. Unanimous.

- b. **Computer/Technology Review** – A motion was made by Teresa Stewart and seconded by Jennifer Townsend to accept the plan as presented with the condition that STEPS puts a plan in place for a complete IT system review. Unanimous.
- 6. **Health Insurance Presentation** – Lucy McKinney, Account Executive for Wells Fargo Insurance Services, presented an overview of the current health care reform laws and the impact it will have on STEPS according to the information gathered about our employees.
- 7. **Special Presentation** – Sharon read an email from Jack DuFour and Alley Heffern, founders of Taaluma Totes, praising Betty Hurt and Mary Lloyd for regularly going “above and beyond to make sure production on the totes is going smoothly.” The email praised them for being fantastic representatives of STEPS.

A motion was made by Teresa Stewart and seconded by Patricia Tucker for the Human Resource and Compensation Committee to set up a compensation pool of funds for small awards to be given out to outstanding employees. Unanimous.

8. **Board Committee Updates**

- a. **Policy/By-Laws Committee** – Teresa Stewart
 - (1) Reclassification of professional positions and their compensation package
 - (2) Reworking STEPS organizational chart.
 - (3) Writing policy and procedure for awards and funds to be given out to outstanding employees.
- b. **Nominating Committee** – Jennifer Townsend

The Board will remain its current size for the time being since a new board member was recently added and the STEPS Board will possibly be working in conjunction with another board.
- c. **Finance Committee** – Pete Kapuscinski
 - (1) The SDA has agreed to subsidize STEPS approximately \$5,200.00 per month (\$4,000.00 per month stipend plus commission/fees) to keep the shredding operation open through February 2014 at which time a decision is to be made to keep the operation open or to close it. A review of the operation will take place as soon as the December financials are completed.
 - (2) Ryan Giffen, SDA, and Shawn Murphy, SourceAmerica, have agreed to come to Farmville to assist with making our shredding operation more efficient.
 - (3) STEPS is in the process of selling the inventory of 64 and 95 gallon bins that are not being utilized. The money from the sale of the containers will be used to pay on the leases of the bins.
 - (4) The Shred Leadership Team will begin to tract and compare their monthly summary production reports so they will be able to see the progress that is being made.
- d. **Fundraising Committee** – Patricia Tucker
 - (1) The Farmville Christmas Show will be the only fundraiser for STEPS this calendar year. It will be held November 9th and 10th.
 - (2) Currently, there are 41 vendors that have signed up for the show.

(3) New additions this year to the show are: Santa; The Grinch; North Pole with Sleigh; Children's Lunch with Santa; Children's Gift Shop; and a Children's Craft Corner.

e. **Industrial Operations and Business Development** – Pete Kapuscinski

(1) The job advertisement for the Cost Accountant was been run in The Farmville Herald and listed on the VEC website.

(2) Victoria is researching and pricing the purchase of a new fusing machine. There are 5 parts of the RABU jacket that needs to be fused.

9. **CEO Report** – Sharon Harrup

a. **Strategic Organizational Chart** – Sharon explained that STEPS new organizational chart was created by the functions of STEPS and not job titles as in previous organizational charts. The 7 major functions are financial, human resources, administrative support, compliance, employment services, business operations, and anti-poverty.

b. **VHDA "Capacity Building Grant"** – This is a \$60,000.00 grant that can be accessed over 1 to 3 years for STEPS strategic directional expansion. This grant will pay for STEPS board retreat, facilitation at the retreat, facilitation of our IT plan, setting new goals and objectives and a three year deep dive strategic plan.

10. **Closed Session**

A motion was made by Teresa Stewart that the STEPS Board convene in Closed Session to discuss personnel pursuant to the exemptions provided for in Section 2.2-3711(A)(1) of the Code of Virginia. The motion was seconded by Jennifer Townsend. Unanimous.

A motion was made by Teresa Stewart that the STEPS Board return to open session. The motion was seconded by Jennifer Townsend. Unanimous.

A roll call vote was taken. Unanimous.

Jennifer Townsend made the following motion:

I move we certify the closed meeting in accordance to the Virginia Freedom of Information Act:

WHEREAS, the STEPS Board of Directors convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of The Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3712 of the Code of Virginia requires a certification by this Board that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED that the STEPS Board of Directors hereby certifies that to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies, and (ii) only

such public business matters as were identified in the motion convening the closed meeting were heard, discussed, or considered by the STEPS Board of Directors.

The motion was seconded by Patricia Tucker.

Any member who believes that there was a departure from the requirements of clauses (i) and (ii) shall state the substance of the departure that, in his/her judgment has taken place.

A roll call vote was taken. Unanimous.

11. **Operational Reports** – Reports were included in the board packet.
12. **Next Meeting** – The next meeting will be held on Thursday, January 23, 2014 at 8:30 a.m. in the Farmville Corporate Office.

There being no further business, the meeting was adjourned at 11:30 a.m.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Jennifer P. Townsend".

Jennifer Townsend, Secretary

STEPS, Inc.
Board of Directors Meeting
February 6, 2014

Board members present: Pete Kapuscinski, Patricia Tucker, Jennifer Townsend, Teresa Stewart, Ken Patterson and Wanda Bass

Board member absent: Tessie Bacon

Staff present: Sharon Harrup, Ryan Follett, Paul Grossman and Cynthia Saunders

The meeting was called to order by Pete Kapuscinski, Chair, at 8:30 a.m.

1. **Approval of the October 24, 2013 Minutes** – A motion was made by Patricia Tucker and seconded by Ken Patterson to approve the October 24, 2013 minutes as mailed. Unanimous.
2. **Second Quarter Financial Reports** – Sharon Harrup
 - a. STEPS is now receiving a \$4,000.00 per month subsidy from Secure Document Alliance (SDA) in addition to having our commissions returned to us to help support the Secure Document Destruction line of the business.
 - b. Ken Patterson made a recommendation that the Finance Committee meet the first week of each month to discuss the prior month's financial statements.
 - c. Pete commended the Finance Committee for the time they put in to help the company succeed financially.
3. **Recognition of the Shopping with a Cause Committee** – Patricia Tucker
 - a. Myra Quicke, SWAC Chair, and her committee was congratulated and thanked for doing a great job on the Shopping with a Cause event.
 - b. Thanks was given to Patricia Tucker and the Tucker family for donating the Christmas props.
 - c. The event netted approximately \$11,000.00.
4. **CARF Accreditation Required**
 - a. **2013 Outcomes Measurement Report** – Ryan Follett presented the results of the Outcomes Measurement Report for each of the services that STEPS provided to its participants during the 2012-2013 fiscal year. Achievements included:

Community Employment Services	100% goal achievement
Extended Employment	57% goal achievement
Situational Assessment	100% goal achievement
Work Adjustment Training	60% goal achievement

There was an average goal attainment of 79.25% which falls within the "Satisfied/Satisfactory" category. This outcome is equal to the previous year's outcome.

A motion was made by Teresa Stewart and seconded by Jennifer Townsend to accept the Outcomes Measurement Report as presented. Unanimous.

b. Strategic Plan Review

A motion was made by Patricia Tucker and seconded by Ken Patterson to leave the current Strategic Plan in place until the new one is finalized. The Board has completed the 1st of two (2) sessions toward the goal of formulating a new plan. Unanimous.

5. Board Self-Assessment

Any board members who have not completed in their Board Self-Assessment Form, please do so by the end of this meeting.

6. Board Committee Updates

a. Executive Committee – Pete Kapuscinski

- (1) STEPS will begin hiring the right people for the jobs available even though the company is strapped for cash. STEPS has hired a Cost Accountant and will soon hire a Bookkeeper. Pete stated he believes the proficiency will far out way the costs.
- (2) The board committee chairs are to begin compiling quarterly reports to be sent out with the board packets so the board can address any issues that the committees may have. These reports will be due to Cynthia Saunders at least 10 calendar days prior to the scheduled board meeting.

b. Policy/By-Laws Committee – Teresa Stewart

The Policy/By-Laws Committee has nothing to report at this time. Personnel policies will be revised and available at the April meeting for review and approval.

c. Nominating Committee – Jennifer Townsend

The Nominating Committee will set a meeting to review the skill sets that STEPS is looking for in new board members. An email will be sent out to the board members with the list of skills that will be required and the board is encouraged to respond with a list of names fitting those skills.

d. Finance Committee – Ken Patterson

- (1) Superior Cleaning may soon cease doing business in the near future due to a lack of customers and a financial loss the department is incurring.
- (2) Approximately \$30,000.00 in reserve cash needs to be set aside to purchase blades for the shredding machine.
- (3) By board consensus, the Finance Committee will change its narrative definition to include property, contracts, leases and liens.
- (4) An engineering consultant will be in the Victoria location to do a costing analysis on the RABU jacket to see if it can be produced at the price currently required by DLA-TS.

e. Human Resource and Compensation Committee – Ken Patterson

The Human Resource and Compensation Committee has not had a meeting. A meeting date will be set at the end of this meeting.

f. Fundraising Committee – Patricia Tucker

The Fundraising Committee will began putting together a list of event ideas with any possible expenditures needed to achieve those goals.

g. **Industrial Operations and Business Development** – Pete Kapuscinski

- (1) STEPS has an opportunity to add the Veterans Administration Hospitals to our list of shredding customers.
- (2) The sale of some of the bins in the shredding operations retired one of the bin leases.

7. **CEO Report**

a. **Renewal of the Bank of Charlotte County Demand Note**

A motion was made by Ken Patterson and seconded by Teresa Stewart to renew the Bank of Charlotte County Demand Note on the premise that STEPS gets a least 50 basis points reduction for making monthly payments: \$500.00 principal payment plus interest. In the event the Bank of Charlotte County will not agree to the above, the Board still authorizes Pete and Sharon to execute the note. Unanimous.

b. **Software System**

A motion was made by Patricia Tucker and seconded by Wanda Bass for Paul to present his recommendation for STEPS' new accounting software proposal to the Finance Committee; with the Board authorizing the Finance Committee to act on the proposal. Unanimous.

c. **STEPS Centre Annexation**

A motion was made by Ken Patterson and seconded by Jennifer Townsend for Sharon to write a letter to Gerry Spates stating there was no opposition by the Board for the STEPS Centre being annexed into the Town of Farmville as long as there would be no negative impact on STEPS. Unanimous.

8. **Chairman's Comments**

Board committees will be expected to complete quarterly reports to be submitted with the Board packets.

9. **To Go Into Closed Session**

A motion was made by Patricia Tucker that the STEPS Board convene in Closed Session to discuss Personnel, Prospective Business, Consultation of Probable Litigation pursuant to the exemptions provided for in Section 2.2-3711(A)(1), 2.2-3711(A)(5), 2.2-3711(A)(7) of the Code of Virginia.

Pete Kapuscinski asked: "Is there a second to the motion?"

The motion was seconded by Ken Patterson.

A roll call vote was taken. Unanimous.

Return to Regular Session

A motion was made by Wanda Bass that the STEPS Board return to open session.

Pete Kapuscinski asked: "Is there a second to the motion?"

The motion was seconded by Jennifer Townsend. Unanimous.

Ken Patterson made the following motion:

I move we certify the closed meeting in accordance to the Virginia Freedom of Information Act:

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Pete Kapuscinski asked: "Is there a second to the motion?"

The motion was seconded by Jennifer Townsend. Unanimous.

Pete Kapuscinski asked:

"Any member who believes that there was a departure from the requirements of clauses (i) and (ii) shall state the substance of the departure that, in his/her judgment has taken place."

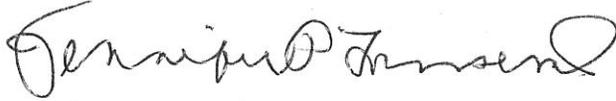
A roll call vote was taken. Unanimous.

A motion was made by Wanda Bass and seconded by Ken Patterson for the Board to authorize the Chairman of the Board under guidance from legal to send an official letter of response to the received grievance. The Grievance was received on January 16th at STEPS and issued to the Board of Directors on February 6th at their meeting. Unanimous.

10. **Next Meeting** – The next meeting will be held on Thursday, April 24, 2014 at 8:30 a.m. at the Victoria location.

There being no further business, the meeting was adjourned at 11:10 a.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Jennifer Townsend". The signature is written in dark ink and is positioned above the printed name.

Jennifer Townsend, Secretary

STEPS, Inc.
Board of Directors Meeting
April 24, 2014

Board members present: Patricia Tucker, Teresa Stewart, Jennifer Townsend, Ken Patterson and Wanda Bass

Board members absent: Tessie Bacon

Others present: Jim Mitchell and Tom Field, BB&T Insurance Representative

Staff present: Sharon Harrup, Paul Grossman, Ryan Follett and Cynthia Saunders

The meeting was called to order by Teresa Stewart, Vice Chair, at 8:30 a.m.

1. **Approval of the February 6, 2014 minutes** – A motion was made by Ken Patterson and seconded by Wanda Bass to approve the February 6, 2014 minutes as mailed. Unanimous.
2. **Third Quarter Financial Reports** – Jim Mitchell
 - a. STEPS' total assets and liabilities for the quarter ending March 2014 were \$2,353,145.30.
 - b. STEPS had a net operating loss of \$58,872.27 for the quarter.
3. **CARF Accreditation Required Reviews**
 - a. **Facility Insurance Review** – Tom Field reviewed STEPS insurance package for 2014. Tom also informed the Board that STEPS' experience mod for Workers Compensation insurance has dropped to .96 in July 2014 from a high of 1.58 in July 2010.
 - b. **Risk Management Plan Review** – Cynthia Saunders reviewed STEPS' 2014 Risk Management Plan.

A motion was made by Ken Patterson and seconded by Patricia Tucker to accept the facility insurance and risk management plan as presented. Unanimous.

4. **Board Committee Updates**
 - a. **Executive Committee**

Sharon reported that Pete Kapuscinski resigned from the Board of Directors effective March 24, 2014.
 - b. **Policy/By-Laws Committee** – Teresa Stewart
The Policy/By-Laws Committee did not meet during this quarter.
 - c. **Nominating Committee** – Jennifer Townsend
The Nominating Committee will be searching for Board members with the skill set that is needed for STEPS to expand into the future toward its new mission.

- d. **Finance Committee** – Ken Patterson
 - (1) The Victoria plant is in the process of closing due to the reduction in price of the RABU jacket.
 - (2) Paul is reviewing ten software modules to purchase for the MIP software system.
 - (3) The committee discussed the importance of maintaining a cash reserve fund for the organization.

- e. **Human Resource and Compensation Committee** – Ken Patterson

Ken stated since STEPS was in the middle of right-sizing the organization and a plant closure this committee would revamp the policies once the aforementioned items were settled.

- f. **Fundraising Committee** – Patricia Tucker

A meeting is scheduled for Friday, April 25th at Hampden Sydney College.

- g. **Industrial Operations and Business Development Committee**
 - (1) Sharon stated she would ask Lunenburg County Board of Supervisors if STEPS could “abandon in place” the Victoria manufacturing building for no less than one year in order to give the organization time to find other contracts.
 - (2) KOVAR allowed Sharon to submit another grant for a heating and cooling system for the space in the corporate office. This proposal will be submitted only if the move to Farmville from Victoria was necessary. The grant would not fund a future purchase of blades for the shredding machine.
 - (3) Sharon has been discussing the possibility of producing grill covers and aprons for a firm out of North Carolina.

5. **MIP/Sage Software Integration Plan**

Paul stated that a fair amount of time has been devoted to issues with STEPS current computer software and the investigation of the purchase of a new software package. The following software modules are being investigated: general ledger, accounts receivable, accounts payable, bank reconciliation, data input/export, payroll, direct deposit, inventory, HR management and allocation management.

6. **CEO’s Contract and Annual Evaluation** – By Board consensus, it was agreed that the CEO’s evaluation should be done by the entire Board of Directors. Their comments and suggestions will be presented to Sharon Harrup at the June meeting.

7. **CEO Report – Evaluation of STEPS Service Delivery System**

- a. **Community Development Initiatives** – Governor McAuliffe rescinded HOPE Community Service’s designation as the community action agency serving 6 counties in a letter dated March 31, 2014. This de-designation opens the door for STEPS to pursue the possibility of becoming the named community action agency serving the counties of Amelia, Buckingham, Cumberland, Lunenburg, Nottoway and Prince Edward.
- b. **New Corporation Discussion** – A motion was made by Ken Patterson and seconded by Wanda Bass to allow Tessie Bacon and Sharon Harrup to file the necessary documents for STEPS Community Development Corporation to pursue their 501(c)3 status.

Unanimous.

- c. **Board Membership Expansion** – The Nominating Committee will work with Paul and Sharon to seat new Board members based on what will be required for Community Action.

8. **Closed Session to Discuss Personnel and Legal Matters**

A motion was made by Wanda Bass that the STEPS Board convene in Closed Session to discuss Personnel and Consultation of Probable Litigation pursuant to the exemptions provided for in Section 2.2-3711(A)(1) and 2.2-3711(A)(7) of the Code of Virginia.

Teresa Stewart asked: "Is there a second to the motion?"

The motion was seconded by Ken Patterson.

A roll call vote was taken. Unanimous.

Return to Regular Session

A motion was made by Ken Patterson that the STEPS Board return to open session.

Teresa Stewart asked: "Is there a second to the motion?"

The motion was seconded by Jennifer Townsend. Unanimous.

Ken Patterson made the following motion:

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Teresa Stewart asked: "Is there a second to the motion?"

The motion was seconded by Patricia Tucker. Unanimous.

Teresa Stewart states:

“Any member who believes that there was a departure from the requirements of clauses (i) and (ii) shall state the substance of the departure that, in his/her judgment has taken place.”

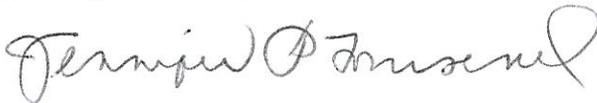
A roll call vote was taken. Unanimous.

A motion was made by Wanda Bass and seconded by Ken Patterson for the Board to Authorize the Chairman of the Board under guidance from legal to send an official letter of response to the received grievance. The Grievance was received on January 16th at STEPS and issued to the Board of Directors on February 6th at their meeting. Unanimous.

9. **Operational Reports** – Reports were included in the Board packet.
10. **Next Meeting** – The next meeting will be held on Thursday, June 26, 2014 at 8:30 a.m. in the Corporate Office in Farmville.

There being no further business, the meeting was adjourned at 10:15 a.m.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Jennifer P. Townsend".

Jennifer Townsend, Secretary

STEPS, Inc.
Board of Directors Meeting
June 26, 2014

Board members present: Teresa Stewart, Jennifer Townsend, Wanda Bass and Tessie Bacon

Board members absent: Ken Patterson

Staff present: Sharon Harrup, Paul Grossman and Cynthia Saunders

The meeting was called to order by Teresa Stewart, Vice Chair, at 8:30 a.m.

1. **Budget: 2014-2015** – Paul Grossman stated that after internal discussions with STEPS' President and CEO, the Finance Committee, and Finance Department, it was decided to delay the full budget presentation to the Board until the October meeting when STEPS will have received final budget figures from their funders. Paul also stated that currently STEPS' major programs/funders: the Victoria plant operations, the homeless program, county appropriations, and some fee for service programs have not notified the organization of contract figures. That along with the lack of notification of the application process for the Community Action decision, has left STEPS with little information to put together a reliable and credible organization and program budget.

No action will be taken at this time on the 2014-2015 budget.

2. **Nominating Committee Report** – The Nominating Committee presented the slate of officers for the 2014-2015 fiscal year.

The following slate of officers was presented for the 2014-2015 fiscal year:

Chair	Ken Patterson	Lunenburg County
Vice Chair	Wanda Bass	Prince Edward County
Secretary	Jennifer Townsend	Prince Edward County
Treasurer	Teresa Stewart	Cumberland County

Teresa Stewart, representing Cumberland County and Jennifer Townsend, representing Prince Edward County agreed to serve an additional three year term.

A motion was made by Jennifer Townsend and seconded by Teresa Stewart to accept the slate of officers for the 2014-2015 fiscal year as represented and renewing terms for two Board members. Unanimous.

3. **Corporate Authorization Resolution** – A motion was made by Teresa Stewart and seconded by Tessie Bacon to sign the Corporate Authorization Resolution (banking relations) between The Bank of Charlotte County and STEPS, Inc. for the 2014-2015 fiscal year. Unanimous.

4. **By-Laws Review/Amendments** – A motion was made by Teresa Stewart and seconded by Wanda Bass to accept the bylaws as amended. Unanimous.

5. **Schedule of 2013-2014 Meetings**

Thursday, July 24, 2014
Thursday, October 23, 2014
Thursday, January 22, 2015
Thursday, April 23, 2015
Thursday, June 25, 2015

6. **Closed Session to Discuss Personnel and Prospective Business**

A motion was made by Tessie Bacon that the STEPS Board convene in Closed Session to discuss Personnel and Prospective Business pursuant to the exemptions provided for in Section 2.2-3711(A)(1) and 2.2-3711(A)(5) of the Code of Virginia.

Teresa Stewart asked: "Is there a second to the motion?"

The motion was seconded by Wanda Bass.

A roll call vote was taken. Unanimous.

Return to Regular Session

A motion was made by Jennifer Townsend that the STEPS Board return to open session.

Teresa Stewart asked: "Is there a second to the motion?"

The motion was seconded by Wanda Bass. Unanimous.

Tessie Bacon made the following motion:

I move we certify the closed meeting in accordance to the Virginia Freedom of Information Act:

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Teresa Stewart asked: "Is there a second to the motion?"

The motion was seconded by Jennifer Townsend. Unanimous.

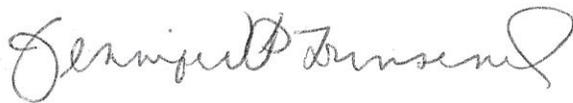
Teresa Stewart states:

"Any member who believes that there was a departure from the requirements of clauses (i) and (ii) shall state the substance of the departure that, in his/her judgment has taken place."

A roll call vote was taken. Unanimous.

There being no further business, the meeting was adjourned at 10:00 a.m.

Respectfully Submitted,

A handwritten signature in cursive script, appearing to read "Jennifer Townsend".

Jennifer Townsend, Secretary