



**Joseph M. Centorino**, Inspector General

TO: Honorable Mayor and Members of the City Commission  
FROM: Joseph Centorino, Inspector General

DATE: August 6, 2021  
PROJECT: Miami Beach Cultural Arts Council Audit  
OIG Audit No. 21 - 27  
PERIOD: October 1, 2018 – September 30, 2019 (2018/19 Fiscal Year)

The Office of the Inspector General (OIG) conducted this audit of the Miami Beach Cultural Arts Council (CAC), pursuant to City Code Section 2-64, to determine compliance with tested provisions in Chapter 2, Article III, Division 6 of the City Code, entitled "Cultural Arts Council," and whether grants were awarded in accordance with the Program Guidelines and Eligibility Requirements (Program Guidelines) during the October 1, 2018 through September 30, 2019 audit period.

## **INTRODUCTION**

The March 5, 1997 adoption of Ordinance No. 97-3075 created the CAC, which consists of eleven (11) members appointed at large by a majority vote of the Mayor and City Commission. The CAC was created to develop, coordinate, and promote the visual and performing arts in the City of Miami Beach for the enjoyment, education, cultural enrichment, and benefit of both residents and visitors. Since the program's inception, the City has awarded approximately \$18 million in cultural grants.

The City of Miami Beach Tourism and Culture Department's Cultural Affairs Division staff, together with the CAC, have the primary responsibility for reviewing applications received for the Cultural Arts Grant Program on an annual basis, ensuring that applicants meet the eligibility criteria, and providing award recommendations to the City Administration.

To qualify for the grant program, applicants must be non-profit, 501(c)(3) cultural organizations, or cultural departments within an institution of higher learning (college or university) with tax-exempt status under other subsections of 501(c)(3), wishing to present or produce cultural and artistic events in the City of Miami Beach. These organizations must complete the required applications and provide the required documentation (i.e., Internal Revenue Service (I.R.S.) Forms 990, organizational charts, etc.) by the established grant program deadlines.

The 2018/19 fiscal year grant program was comprised of two primary categories, Anchors/Junior Anchors and Cultural Presenters. Within the Cultural Presenters category, there are seven sub-categories including, Film, Visual Arts, Theater, Multi-Disciplinary, Dance, Music, and Opera.

Grant award amounts for Anchors/Junior Anchors range from \$10,000 to \$35,000 depending on the grantee's annual organizational budget. Although there is no funding cap in the Program Guidelines for Cultural Presenters, applicable grantees received awards ranging from \$6,000 to \$23,500 during the 2018/19 fiscal year. The grant amounts are determined by the CAC based on the projects being presented and the grantees' application score.

CAC program grants are funded via Resort Tax revenues, as the current split of Resort Tax Funds includes a 10% allocation of funding for the arts (i.e., CAC). During the twelve-month audit period, October 1, 2018 through September 30, 2019, a total of \$1,442,000 was appropriated to the CAC to continue implementation of its programs. Of these monies, \$861,254 was awarded to 45 applicants through the City Commission's ratification of Resolution No. 2019-30677.

## **OVERALL OPINION**

The Cultural Affairs Division and OIG staff spent numerous hours with the grantees and reviewing all submitted documentation for accuracy; any identified deficiencies are then communicated to the grantees, who are permitted to submit additional documentation to justify receiving full payment of the grant awards. However, the guidelines are not strictly enforced. Even if the stated requirements are not timely met, there are little or no repercussions for deficient grantees, other than delays in receiving that fiscal year's funding.

Although required pursuant to City Code Section 2-64, the audit adds little value and the workload for City personnel involved in the process continues to increase, as the reimbursement process is inefficient and can take two or more fiscal years to complete. In addition, the Cultural Affairs Division has had frequent turnover in its Grants and Operations Administrator position in recent years, which has contributed to the failure to timely detect grantees' non-compliance with stated requirements. The grantees lack of adherence to the Program Guidelines and the Cultural Affairs Division staff's inability to identify these deviations is concerning, as it could result in the improper awarding and disbursement of grant funds. The following deficiencies were noted during the audit that need corrective action:

1. Documentation provided by grantees was not fully compliant with the eligibility requirements of the Program Guidelines.
2. Grant awards were not always timely or accurately disbursed in compliance with the Program Guidelines.
3. Lack of supporting documentation and unreliable review of grantees' Final Reports resulted in a reduction of grant awards.
4. The accrual journal entry recorded for unpaid CAC grant awards awarded during the 2018/19 fiscal year was overstated by \$51,973 in the City's Financial System.

## **SCOPE, OBJECTIVES, AND METHODOLOGY**

The scope of the audit was to evaluate whether the CAC and Cultural Affairs Division staff complied with selected provisions in Chapter 2, Article III, Division 6 of the City Code entitled "Cultural Arts Council," and to determine whether grants were awarded in accordance with the Program Guidelines. The audit covered the period October 1, 2018 through September 30, 2019, and selected transactions prior and subsequent to this period. In general, the audit focused on the following objectives:

- To test whether the Cultural Affairs Division complied with provisions in Chapter 2, Article III, Division 6, Section 2-55 of the City Code entitled “Cultural Arts Council.”
- To test whether the selected applicants met the eligibility requirements of the grant category applied for.
- To test whether the Cultural Affairs Division properly reimbursed grantees an amount within the maximum allowed for Anchors/Junior Anchors, and not to exceed the City Commission awarded total.
- To test whether grantees complied with the requirements for the submittal of Final Reports in compliance with the executed Grant Agreements.
- To ensure that grant payments remitted, and fiscal year-end accrual of any non-disbursed awarded monies, were properly recorded in the City’s Financial System.
- To determine whether deficiencies noted in the prior audit have been corrected.

We conducted this audit in accordance with the Standard Operating Procedures of the City of Miami Beach OIG, as well as internal audit best practices. Those require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The audit methodology included the following:

- Reviewed applicable provisions of the City Charter and Code of Ordinances, and departmental Standard Operating Procedures;
- Interviewed and made inquiries of staff to gain an understanding of the internal controls, (relative to the award of CAC grants), assess control risk, and plan audit procedures;
- Performed substantive testing consistent with the audit objectives, including, but not limited to, examination of applicable transactions and records;
- Drew conclusions based on the results of testing, made corresponding recommendations, and obtained auditee responses and corrective action plans; and
- Performed other audit procedures as deemed necessary.

## **FINDINGS, RECOMMENDATIONS AND MANAGEMENT RESPONSES**

### **1. Finding: Documentation Provided by Grantees Was Not Fully Compliant With The Eligibility Requirements Of The Program Guidelines**

Cultural Affairs Division staff is responsible for ensuring that grantees meet the eligibility requirements of the Cultural Arts Grant Program stated in the Program Guidelines and comply with the terms of the executed Grant Agreements. The Program Guidelines provide that only non-profit organizations with a 501(c)(3) tax exempt status, or cultural departments within an institution of higher learning (college or university) with tax-exempt status under other subsections of 501(c)(3), are eligible to apply. Applicants must meet all requirements and deadlines and submit/comply with the following:

- a) Organization’s 501(c)(3) tax-exempt status letter dated within the past two years.
- b) Most recent I.R.S. Form 990 (Return of Organization Exempt from Income Tax), signature required for Cultural Presenters.
- c) Organizational Chart (for Anchors only).

- d) Current board membership (with contact information) and staff lists with brief biographies.
- e) Sample surveys obtained.
- f) All itemized in-kind contributions. In-kind contributions may not exceed 25% of the total organizational budget and total cash project budget.
- g) Minimum \$1 to \$1 funding match, through cash, in-kind, or a combination of both (not applicable to Anchors).

Applications are submitted through the City's Cultural Affairs Division's Program On-Line Application Web Site. Each applicant must attach the required documentation (i.e., signed I.R.S. Form 990, current board membership, etc.), and complete its financial information (i.e., organizational budget, itemized project and grant award budget, in-kind contributions, etc.).

The assigned OIG Auditor randomly selected 18 grantees, which was stratified to include five Anchors/Junior Anchors and 13 Cultural Presenters, to determine compliance with the grant program eligibility requirements. These sampled grantees were awarded \$319,561 (37.10%) of the \$861,254 allotted during the 2018/19 fiscal year. Review of the grant files maintained by Cultural Affairs Division staff identified the following deficiencies:

- The OIG Auditor was unable to determine whether the 18 sampled grant applications were submitted timely. The online application system used by the Cultural Affairs Division, only maintains the most recent date that documents were submitted by the grantee (i.e., the application correction date of submission). The Cultural Affairs Manager was contacted to obtain the original application submission date from the provider; however, no additional documentation was provided.
- Four grantees' application corrections were received late or after the stated due date ranging from a low of three days for Florida International University – MBUS, the Miami Beach Garden Conservancy and The Holocaust Memorial Committee, Inc., to a high of 18 days for Edge Zones.
- Two grantees, Miami Music Festival and Nu Deco Ensemble, Inc., provided the required 501(c)(3) tax exempt status letters within the required two-year period, but the forms were dated after the application submission due date (February 19, 2019 and May 31, 2018 respectively).
- Four Cultural Presenters (Miami Light Project, Miami Hispanic Ballet Corp., Burkerfest Miami, Inc., and the Miami Music Festival) provided the required I.R.S. Forms 990; however, the forms were not signed.
- The Miami Gay and Lesbian Film Festival, Inc.'s in-kind contribution was greater than the maximum allowed 25%, as the Cultural Presenter's in-kind contribution was 33.33% (\$37,850/\$113,550) of the "Total Cash Project Budget."

Recommendation(s):

The Tourism and Culture Department Director should instruct Cultural Affairs Division staff to adhere to its established internal control procedures to ensure that applicants fully comply with the Program Guidelines and executed Grant Agreements. Since applicants may have retained only unsigned taxpayer's copies of the I.R.S. Forms 990 provided by its accountants, it is recommended that the "Signed I.R.S. Form 990" requirement for Cultural Presenters be eliminated. Instead, it is recommended that it

should mirror that of Anchors/Junior Anchors in that the I.R.S. Form 990 must be filed within a two-year period.

Management's Response (Tourism and Culture Department):

- In FY 19/20, Cultural Affairs initiated a Pre-Application phase, which required all applicants to submit 1) a 501(c)(3) letter of nonprofit determination dated within the past two years, 2) most recent I.R.S. Form 990, 3) current board membership with contact information, 4) staff list with brief biographies, and 5) an organizational chart. Incomplete submissions do not move forward with the application process. The Pre-Application phase is the first documented time stamp. The subsequent phase is the submittal of the full grant application and allows for a two (2) week correction period following staff review, applications that required corrections resulted in the automatic deletion by the online grant system of the original submission time stamp. The time stamp deletion was automatic by the online grant system. Staff is working with the online grant system provider (GoSmart) to ensure the system will time stamp each submission correction update and will not automatically delete previous submission time stamps when corrections are required.
- The Pre-Application phase, implemented in FY 19/20, has also afforded a more streamlined approach to ensuring the required 501(c)(3) tax exempt status letter are dated within the required two (2) year period.
- The FY 20/21 grant guidelines, for Cultural Presenters, were amended and are now consistent with the grant guidelines for Cultural Anchors including submitted I.R.S. Forms 990 do not require signature.
- The three most recent grant application periods (FY 19/20, FY 20/21 and FY 21/22) include a new budget spreadsheet that requires the inclusion of every in-kind contribution name/amount, and the spreadsheet automatically computes the in-kind contribution percentage for each applicant, easily identifying which applicants exceed the 25% in-kind threshold. If the in-kind amount exceeds 25%, the applicant will not be able to submit a full grant application.

Implementation Date:

The Pre-Application phase and updated automatic spreadsheet were initiated in the January 2019 (FY 19/20) grants period. Staff continues to work with the online grant software company to implement a time stamp for FY 22/23 Pre-Applications, which will open in January 2022.

**2. Finding: *Grant Awards Were Not Always Timely or Accurately Disbursed in Compliance with the Program Guidelines***

The Program Guidelines established the following maximum grant award amounts for each grant category (i.e., Anchors/Junior Anchors and Cultural Presenters):

- A. Anchors/Junior Anchors: major preeminent and smaller art institutions physically based in the City, whose primary mission is year-round artistic and cultural programming that contributes significantly to the cultural life of the City.
  - a) \$25,000 for annual organizational budgets below \$750,000
  - b) \$30,000 for annual organizational budgets between \$750,000 and \$3.5 million

c) \$35,000 for annual organizational budgets at or above \$3.5 million

B. Cultural Presenters: organizations whose primary mission is to produce and present cultural and artistic productions. Although there is no funding cap for this category, grantees received awards ranging from \$6,000 to \$23,500 during the 2018/19 fiscal year.

A total of \$861,254 was awarded to 45 grant applicants through the adoption of Resolution No. 2019-30677. Awards are to be disbursed in two payments as follows:

- First-half payment (50% of the award) issued upon receipt of grantees' signed and completed agreements.
- Second-half payment (up to 50% of the award) issued upon receipt and approval of grantees' Final Reports, and required supporting documentation (i.e., invoices, cancelled checks, etc.). Final Reports are to be submitted annually by grantees no later than October 15<sup>th</sup>.

Testing was performed to determine whether the Cultural Affairs Division properly reimbursed grantees within the maximum amount allowed per grant category, and not in excess of the City Commission approved total. The OIG Auditor reviewed all 45 approved grantees, upon which the following deficiencies were noted:

- Two Anchors/Junior Anchors awarded grants exceeded the maximum allowed in the Program Guidelines based on its submitted organizational budget.
  - The Miami City Ballet was awarded and received \$31,150, which is \$1,150 more than the maximum allowable amount of \$30,000, as its annual organizational budget was \$2,673,141.
  - The Holocaust Memorial Committee, Inc. was awarded and received \$27,300, which is \$2,300 more than the maximum allowable amount of \$25,000, as its annual organizational budget was \$597,415.
- Twenty grantees did not timely receive their second-half payments, as they were issued between March 2020 and September 2020, which is during the 2019/20 fiscal year.
- Eight grantees received their first-half payments for the 2019/20 fiscal year, prior to the review of its 2018/19 fiscal year's Final Reports, which determine compliance and eligibility of future grant funding. The eight grantees were Florida International University – MBUS, Florida International University – Wolfsonian, Florida International University – Jewish Museum of Florida, Miami City Ballet, South Florida Art Center, Inc., University of Wynwood, Inc., Miami Hispanic Ballet Corp., and Miami Design Preservation League.

Recommendation(s):

The Tourism and Culture Department Director should instruct Cultural Affairs Division staff to ensure that Final Reports and/or any additional documentation requested from grantees are timely received, reviewed, and approved. This practice should better ensure that the prior fiscal year's grant awards are closed out before the awarding of next fiscal year's grant monies. In addition, the first-half payment of subsequent fiscal year's grant awards should not be disbursed, prior to the review of the current year's Final Reports, in compliance with stated Program Guidelines.

Management's Response (Tourism and Culture Department):

- Cultural Affairs staff is working with the online grant system (GoSmart) to ensure grant requests link directly to the organizational budget and are populated automatically through the software.
- Cultural Affairs has closed out FY 18/19 and submitted 100% of all payments due to grantees for FY18/19. Cultural Affairs staff conducts an internal reconciliation of grants each August. During the reconciliation process, staff noted that previously submitted second payment requests to Finance had not been processed. The payment requests were resubmitted on September 9, 2020, September 19, 2020, and October 1, 2020 as follows:

September 9, 2020

- 1) South Beach Chamber Ensemble
- 2) Center for the Advancement of Jewish Education
- 3) Ballet Flamenco La Rosa
- 4) FUNDarte
- 5) Italian Film Festival
- 6) Community Arts and Culture
- 7) Peter London Global Dance Company
- 8) National Foundation for Advancement in the Arts

September 16, 2020

- 1) Edge Zones
- 2) University of Wynwood

October 1, 2020

- 1) Miami City Ballet
- 2) Miami Hispanic Ballet
- 3) FIU-Wolfsonian
- 4) Bas Fisher Invitational

- To further mitigate overlap of first payments and review of final reports, Cultural Affairs initiated a Contract Submission Deadline of December 15 which has improved the review period by working closely with the Legal Department, Mayor's Office, and Clerk's Office by streamlining its Contract Execution pipeline process. Additionally, in FY 19/20, Cultural Affairs created a streamlined Final Report, which require grantees to submit their invoices/payment proofs with a detailed cover sheet, expediting the reviews/close-outs of Final Reports. Cultural Affairs continues to explore methods to improve the process time of second payments, which require 1) the submission of an approved final report, and 2) require grantees to submit additional requested and/or missing materials within a two (2) week timeframe. If missing/additional materials are not substantiated within the allotted timeframe, the grant is closed, and payment is made only on expenses substantiated.

Implementation Date:

The Cultural Affairs staff began implementing the aforementioned adjustments to the grant time periods for FY 19/20 grant contracts. Beginning in June 2021, the Cultural Affairs staff will release the FY20/21 Final Report Form, and the submission deadline will be October 15, 2021. The intention of an earlier date is to close-out all Final Reports by

December 31st (an Internal Audit recommendation).

3. **Finding: Lack Of Supporting Documentation And Improper Review Of Grantees' Final Reports Resulted In A Reduction Of Grant Awards**

Article II of the City's Cultural Affairs Program Grant Agreement, titled "General Conditions," states that the grantee may only use the grant for the purposes that are specifically described in the Project Description. Line-item changes to the Project Budget shall not exceed 10% per category, and shall, in no event, exceed the total amount of grant funds. Amendments to the itemized Grant Award Budget shall not be permitted without the prior written consent of the Cultural Affairs Program Manager.

In addition, the Grant Agreement states that for the grantee to demonstrate that the grant has fulfilled its purpose, the grantee must provide the Cultural Affairs Program Manager with a written Final Report, which shall document the grantee's satisfaction of all requirements (i.e., copies of all receipts, invoices, cancelled checks and proof of expenditures of grant monies.) The Final Report must be received by the Cultural Affairs Division's Program Manager no later than October 15<sup>th</sup>. These reports and the supporting documents are to be reviewed and approved by designated Cultural Affairs Division staff (i.e., Grants and Operations Administrator, Program Manager, and the Senior Administrative Manager) prior to issuing payment to ensure compliance with all the grant requirements before any second-half monies are disbursed.

The 18 Final Reports submitted by the randomly sampled grantees were examined to determine compliance with the executed Grant Agreements. Based on examination of the Final Reports, invoices, and payment support provided by the grantees, the following deficiencies were noted:

- Two grantees, MDC Live Arts and Florida International University – Jewish Museum of Florida, submitted their Final Reports 7 and 21 days after its respective due dates.
- The OIG auditor was unable to determine the timeliness of the Final Report filed by Nu Deco Ensemble, Inc. since it was not time/date stamped by the Cultural Affairs Division or signed and dated by the grantee.
- Four grantees, Florida International University – MBUS, The Holocaust Memorial Committee, Inc., MDC Live Arts, and Edge Zones, revised their budget categories in accordance with their executed Grant Agreements; however, there was no record indicating prior written approval of these changes by the Cultural Affairs Program Manager.
- The Florida International University – Jewish Museum of Florida reduced the total amount for the budget category in its Final Report, so its final grant payout should have been similarly reduced by \$172.48 (\$26,400.00 in disbursed grant funds - \$26,227.52 eligible to receive).
- For three grantees, the Florida International University – MBUS (\$2,387.36), MDC Live Arts (\$1,000.00) and Edge Zones (\$2,426.85), expenditures totaling \$5,814.21 were disallowed as they were incurred for services either outside the October 2018 through September 2019 grant period or were not related to the performances.
- Five grantees, Miami Beach Garden Conservancy, the University of Wynwood, Inc, Edge Zones, Burkertfest Miami, Inc., and Miami Music Festival, submitted invoices and support for expenditures; however, the grant guidelines and/or grant



applications do not provide a description of each of the expenditure types. Instead, it appears that the grantees budgeted expenditures under the incorrect budget categories, which was not detected by the Cultural Affairs Division when the submitted Final Reports were reviewed and approved.

Recommendation(s):

The Tourism and Culture Department Director should instruct Cultural Affairs Division staff to adhere to its established internal control procedures to ensure adequate review of grantees' Final Reports and disbursement of grant payments. Because of the disallowed expenditures, it is recommended that Cultural Affairs Division staff collect any monies due, unless they opt to accept any additional supporting documentation (i.e., invoices, cancelled checks) provided by grantees in satisfaction of the requirements listed in the Final Report. In addition, first-half payments of subsequent year grant awards should not be disbursed, prior to approving last fiscal year's Final Reports, in compliance with Program Guidelines.

Management's Response (Tourism and Culture Department):

- Cultural Affairs staff will recommend to the Cultural Arts Council that grant scoring should reflect decreased funding points for the submission of late Final Reports. The Tourism and Culture Department Director will present to grantees at the annual grant workshop the impact of submitting late reports will result in a deduction of their total grant score.
  
- Cultural Affairs will contact the grantees who had unsubstantiated payments in FY18/19 and will require them to either return the funds, substantiate their reimbursables, or will have deductions in their future grant payments, where applicable. Mandatory grant workshops, detailed Final Report cover sheets, and tracking spreadsheets for grantees' expenditures were created by staff and all grantees were required to complete and submit these forms with their Final Reports. This addition has helped remedy the lack of substantiated documentation presented in previous Final Reports. A drastic reduction in disallowable expenses from FY16/17 to FY18/19 is noted as follows:
  - Previous Audit FY16 Disallowable Expenses: \$61,478.86 (or 23.43% of the sample) of unsubstantiated expenditures paid by the City. (Of the \$61,478.86 FY16 unsubstantiated expenditures, the City was able to substantiate \$51,421.86 (or 83.64%) post-FY16/17 Audit.
  - Current Audit FY 19 Disallowable Expenses \$5,814.21 (or 1.82% of the sample) of unsubstantiated expenditures paid by the City.
  
- Grant Agreements for FY 19/20 and FY 20/21 have been amended as follows:

*Paragraph 3 of Section 3 (Budget) of Article II/General Conditions*

Line item changes to the Grant Award Budget shall not exceed the total amount of Grant Funds. Should the Grantee not be able to fulfill programmatic activities by December 31, 2021, Cultural Affairs staff will consider allowable expenses to include indirect or general operating costs related to the operation of the organization. Notwithstanding the preceding sentence, amendments to the itemized Grant Award Budget shall not be permitted without the prior written consent of the Cultural Affairs Program Manager. Said requests shall be made in writing, detailing and justifying the need for such changes, in advance of the Project's commencement.

Implementation Date:

Staff will contact the grantees by August 15, 2021, detailing the insufficiencies and request the needed documentation or repayments. Grantees will be given two (2) weeks to provide substantiated reimbursables or funds will be withheld from future payment to grantees, where applicable or grantee will be ineligible to apply for future grants.

4. ***Finding: The Accrual Journal Entry Recorded For Unpaid CAC Grant Awards Awarded During The 2018/19 Fiscal Year Was Overstated by \$51,973 In The City's Financial System***

The Governmental Accounting Standards Board (GASB), which is recognized as the official source of generally accepted accounting principles (GAAP) for state and local governments, establishes modified accrual accounting standards. A governmental entity is focused on current-year obligations, and the modified accrual basis focuses mainly on short-term financial assets and liabilities. Therefore, accountants adjust for obligations that are incurred during an accounting period for which no payments have been made. The accruals must be added via adjusting journal entries, so that the financial statements report these amounts.

The OIG Auditor calculated that at the end of the 2018/19 fiscal year, September 30, 2019, \$361,799 of the total \$861,254 grants awarded, had not been disbursed to grantees. The total amount accrued at the end of the fiscal year was overstated by \$51,973, as the journal entry recorded was for \$413,772. It was determined that this deficiency occurred because the journal entry was recorded using the figures provided to the Office of Management and Budget to complete the rollover.

Recommendation(s):

The Tourism and Culture Department Director should instruct Cultural Affairs Division staff to review and reconcile the outstanding payments at each fiscal year end to verify that the corresponding accrual journal entry is accurately recorded in the City's Financial System. In addition, they should consult with the Finance Department regarding the optimal resolution concerning the \$51,973 journal entry overstatement for the 2018/19 fiscal year.

Management's Response (Tourism and Culture Department):

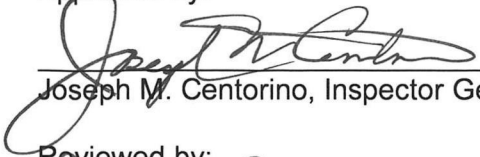
Annually, grants are distributed "seasonally" to the City's cultural institutions. Due to the varied timing of the final reporting, required by grantees, to receive their second payment, processing will always occur after the end of the fiscal year. Consequently, the Budget Department and Finance Department have a required timeline for rollover and accrual documentation submittal. Cultural Affairs projects any potential roll over funds and accompanying accrual journal entry amount estimated at the time of submittal. This projection is based on grantees meeting every requirement and will receive their full second payment of their grants. This process aligns with budgeting the full expense of the second payments of the grants as stated in each of their executed grant agreements.

A potential solution to explore would be working with the Finance Department to do an additional journal entry each November to correct any overstated accruals.

Implementation Date:

Staff will schedule a meeting with the Finance Department by August 15, 2021, to discuss the implementation of an additional journal entry in November to correct any overstated accruals.

Approved by:

  
Joseph M. Centorino, Inspector General

08/06/2021  
Date

Reviewed by:

  
Mark D. Coolidge, Chief Auditor

08/06/2021  
Date

  
Norman Blaiotta, Deputy Chief Auditor

8/5/21  
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