

CITY OF PINELLAS PARK COVID-19 GRANT AUDIT AUDIT REPORT SEPTEMBER 17, 2020

Introduction:

The City, along with many Cities in the world, began the impact of Covid-19 and attempting to control the spread in late February/early March. It was an unprecedented event that would significantly alter our every day lives. It effected how we interacted with other people which had an effect on social interaction, businesses, the economy, etc.

The City's Fire Department began training for how to handle potential Covid-19 issues for First Responders. They began attempting to acquire PPP or personal protective equipment. This proved to be difficult especially at the beginning of the Pandemic. The City Manager instructed that all City employees that could work from home do so indefinitely. The Governor issued regulations that only essential business would remain open. The businesses that remained opened would have to operate in accordance with the CDC Covid-19 guidelines.

Background:

Obviously this had a bad impact on the nation's and our local economy. The Federal government through the CARES act did offer businesses loans that may be subsequently eligible to become grants. These loans were provided through the Small Business Administration and authorized banks. Small businesses were particularly vulnerable to the bad economy. These businesses did not have the financial resources to continue to survive with a significant slow down or stoppage in the economy. This is why some of the local governments offered Covid-19 financial assistance grants to small businesses.

The City of St. Petersburg was the first in the area to offer these grants to small businesses. The City of Pinellas Park shortly thereafter also offered grants. For small businesses to be eligible for the grants they had to meet certain criteria: Affirm a loss of 50% or more of revenue due to the pandemic; locally owned and independently operated; physically established in the City; must have at least 50% ownership of the business; must be operating within the defined impacted eligible industries. Other requirements for the grants include: no more than 25 employees, demonstrate working capital as of February 28th, City Business license, proof of general liability insurance, etc.

The City moved quickly for implementing the grant program for \$2,500 each. The program was promoted on the City's web site, Facebook, signage in the area, etc. The grants would be awarded on a first come first serve basis for both the CRA district and the rest of the City. The CRA district would have a total of \$75,000 or a total amount of 30 grants. The remainder of the City had a total of \$50,000 or a total amount of individual 20 grants. The required information was obtained from prospective businesses and the checks were processed. Since the City has never accomplished a program similar to this, we thought it would be good area to audit.

Audit Approach:

Since the approved grants were only 50 in total, we decided to do a limited review of all of them. In addition, we did a detailed examination of 34% of the grant applicants and required supporting documents. Specifically the procedures that were used are listed below:

1. Obtain the City Manager's and/or Council guidelines for processing the grants in the City.
2. Obtain a copy of advertisements or notices of the program to the general public in the City.
3. Obtain all applications for Covid-19 grants both in the CRA and outside CRA. Want to look at the date stamp of the applications, applicant program compliance, supporting documents for the grant applications.
4. Examine the evaluation processes for determining if an applicant was eligible for grant assistance. Obtain a list of all applicants who were not eligible for grants.
5. Determine the internal processes in the approval and disbursement of grant funds.
6. Obtain a listing of all grant payments including vendor, date, and check number.

Conclusion:

Overall the files and documents were complete and accurate. Given that this was the first time that the City had ever done such a program, the staff in the Economic Development division performed well.

Submitted by,

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