



# PRINCE WILLIAM COUNTY

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## Prince William County, Virginia Internal Audit Report – American Rescue Plan Act Subrecipient Monitoring

June 26, 2023



## TABLE OF CONTENTS

Transmittal Letter .....	1
Executive Summary .....	2
Background .....	3
Objectives and Approach .....	6
Detailed Results .....	7
Appendix A: Tool for Monitoring the Subrecipient(s) of U.S. Treasury ARPA State and Local Fiscal Recovery Funds .....	16
Appendix B: Alliance ARPA Partner Organizations and Services Provided .....	18

# TRANSMITTAL LETTER



June 26, 2023

The Board Audit Committee of  
Prince William County, Virginia  
1 County Complex Court  
Prince William, Virginia 22192

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Pursuant to the statement of work dated November 21, 2022, executed by Prince William County's ("County," "PWC") Finance Department, and as reported to the Board of County Supervisors ("BOCS"), we hereby present the internal audit report on the American Rescue Plan Act ("ARPA") Subrecipient Monitoring. We will be presenting this report to the Board Audit Committee of Prince William County at the next scheduled meeting on July 25, 2023.

Our report is organized into the following sections:

<b>Executive Summary</b>	This section provides an overview of funding and summarizes the current status of ARPA funding allocations by subrecipient, as approved by the BOCS for the use of the ARPA program funds.
<b>Background</b>	This provides an overview of the ARPA programs at the County, as well as relevant background information on the subrecipients who received funding.
<b>Objectives and Approach</b>	The objectives of this internal audit are expanded upon in this section, as well as the various Phases of our approach.
<b>Detailed Results</b>	This section includes a description of the funding received, scope of testing, and observations noted by subrecipient during our review, as well as program enhancement opportunities for consideration.

We would like to thank the staff and all those involved in assisting our firm with this internal audit.

Respectfully Submitted,

*RSM US LLP*

**Internal Audit**



## EXECUTIVE SUMMARY

### County ARPA Funding Background

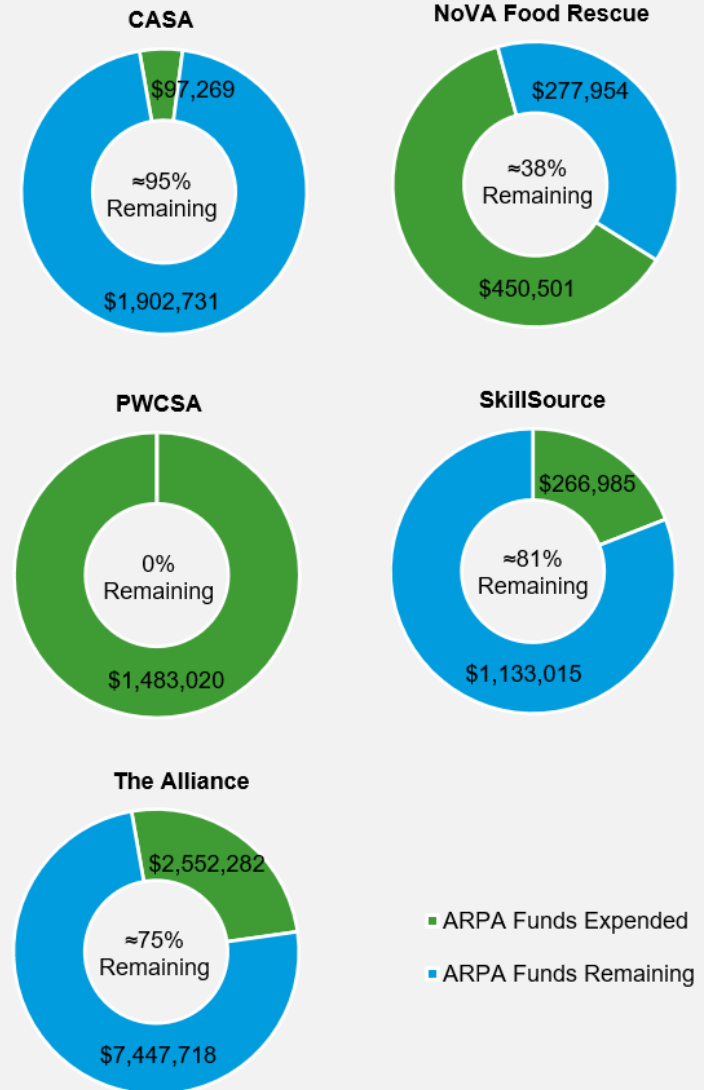
On March 11, 2021, President Biden signed the American Rescue Plan Act, which in part authorized the Coronavirus State and Local Fiscal Recovery Fund (“SLFRF”). The SLFRF program delivered \$350 billion to state, territorial, local, and Tribal governments across the country to support their response to and recovery from the COVID-19 public health emergency. Through the passage of ARPA, Prince William County was allocated approximately \$91 million in two (2) equal allotments. Part of this funding was allocated to subrecipient organizations to carry out eligible activities, as defined by U.S. Treasury, on behalf of the County.

All federal grants are subject to the U.S. Office of Management and Budget’s (“OMB”) Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards (“Uniform Guidance”). Section 2 CFR 200.332 of the Uniform Guidance contains requirements for pass-through entities, including the requirement to evaluate each subrecipient’s risk of noncompliance with Federal statutes, regulations and the terms and conditions of the subaward for the purpose of determining the appropriate subrecipient monitoring procedures to be performed. As such, the primary objective of this internal audit was to conduct subrecipient monitoring over the six (6) ARPA funding subrecipients outlined below, on behalf of the County. The testing period was March 3, 2021 to December 31, 2022 for each subrecipient. Specific testing procedures performed and the detailed testing results can be located with the ‘Detailed Results’ section of this report.

### Overview of Subrecipients Monitored

Subrecipient Monitored	Observation Noted	Process Improvement Noted
Capital Area Food Bank <sup>1</sup>		
CASA	2	
Northern Virginia Food Rescue (“NoVA Food Rescue”)	1	1
Prince William County Service Authority (“PWCSA”)		
SkillSource Group, Inc. (“SkillSource”)		
The Human Services Alliance of Greater Prince William (“The Alliance”)	5	1
County-level		

### ARPA Spending Status by Subrecipient



<sup>1</sup> Capital Area Food Bank did not have an executed subrecipient agreement as of 12/31/2022 and were therefore not included in this phase of ARPA subrecipient monitoring procedures.



## BACKGROUND

### Overview of ARPA Funding

The American Rescue Plan Act is a \$1.9 trillion economic stimulus bill passed by U.S. Congress on March 11, 2021. The ARPA was designed to provide economic relief and recovery from the impact of the COVID-19 pandemic by continuing or expanding many of the provisions put in place by previous COVID-19 relief acts (e.g., CARES Act) such as economic impact payments, increased unemployment benefits, and employer tax credits. As part of the ARPA, the SLFRF was established to provide \$350 billion to state, territorial, local, and Tribal governments across the country to support their response to and recovery from the COVID-19 public health emergency. The intent of the SLFRF program was to equip governments with the resources needed to fight the pandemic, support families and businesses struggling with the pandemic’s public health and economic impacts, maintain vital public services (even amid declines in revenue), and build a strong, resilient, and equitable recovery by making investments that support long-term growth and opportunity. The SLFRF program has four (4) eligible use categories, as follows:

1. Replace lost public sector revenue
2. Respond to the far-reaching public health and negative economic impacts of the pandemic
3. Provide premium pay for eligible workers performing essential work
4. Invest in water, sewer, and broadband infrastructure

The SLFRF program contains multiple restrictions on the use of funds, to include but not be limited to: directly or indirectly offsetting a reduction in net tax revenue, depositing into pension funds, debt service or replenishing of financial reserves, satisfaction of settlements and judgments, or utilizing funds for a project that conflicts with or contravenes the purpose of the ARPA. Additionally, SLFRF requires funds be used for eligible costs that were incurred on or after March 3, 2021, are obligated by December 31, 2024, and are expended by December 31, 2026. This time period, during which recipients and subrecipients can expend SLFRF funds, is known as the “period of performance”. Eligible state, territorial, metropolitan city, county, or Tribal governments were authorized to apply and receive funding directly from Treasury. Non-entitlement units of local governments were eligible to receive funding from their respective state government.

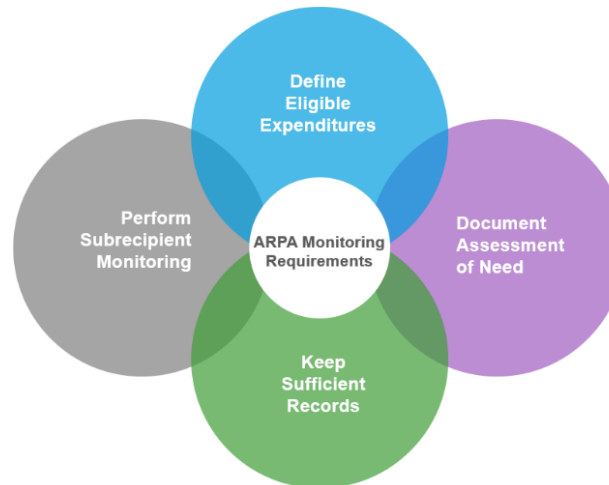
To maintain compliance with the ARPA Funding Agreement, local governments must implement a monitoring system that upholds compliance with funding requirements and expectations.

#### Define Eligible Expenditures:

Eligible governments are responsible for making determinations as to what expenditures respond to and / or support the recovery from the COVID-19 public health emergency, as long as they are compliant with the requirements laid out by the Treasury.

#### Perform Subrecipient Monitoring:

Monitoring procedures should be performed on a regular basis to determine whether SLFRF funds are being used in compliance with Treasury guidelines.



#### Document Assessment of Need:

Programs should be structured in a manner to make certain that such assistance is in direct alignment with the four (4) allowable use categories described above.

#### Keep Sufficient Records:

A government should keep records sufficient to demonstrate that appropriate use of payments were made.



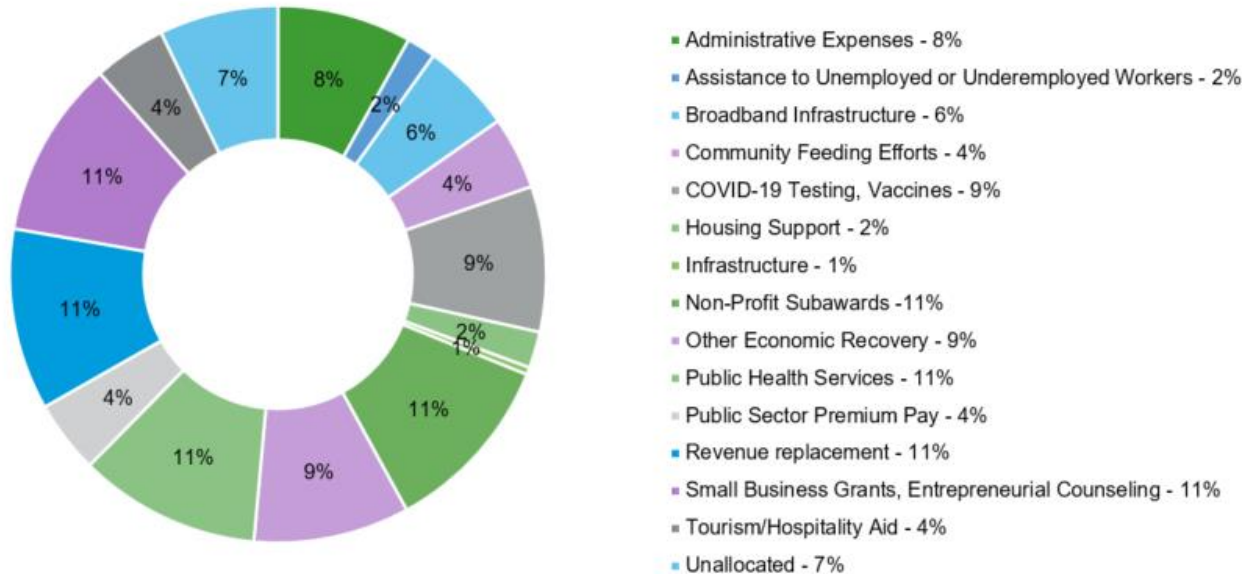
## BACKGROUND – CONTINUED

### “What is Prince William County Doing?”

The local government of Prince William County is comprised of an eight-member Board of County Supervisors. The BOCS is elected by the residents of Prince William County and is the policy-making body for the County government. The BOCS is responsible for adopting local laws, setting policies, and adopting budgets, among many responsibilities. In regard to ARPA SLFRF funds, the BOCS is responsible for the transfer, budget, and appropriation of funds received. The BOCS acted to authorize the Chair, County Executive, and/or Chief Financial Officer to execute required Memorandums of Understanding (MOUs), Certifications, and other Agreements with subrecipients to provide ARPA SLFRF funds for the purpose of responding to the COVID-19 pandemic.

The County was awarded \$91,357,060 in ARPA SLFRF funds in two (2) equal installments to support their response to and recover from the COVID-19 pandemic. SLFRF funding was allocated to support several initiatives, including small business micro-grants and economic recovery; COVID-19 testing; vaccination support; community feeding; housing support; support for community organizations; childcare initiatives, among others. Additionally, the County received \$1,518,654.71 of ARPA SLFRF funds as a pass-through to the Prince William County Service Authority for their utility relief program.

As of March 30, 2023, \$84,803,530 of ARPA funding had been allocated by the County and \$6,553,530 of the ARPA funding remained unallocated. A breakdown of the allocation as of March 30, 2023, is shown below.





## BACKGROUND – CONTINUED

### Subrecipient Organizations

In 2022, the BOCS authorized numerous MOUs, Certifications and other Agreements to provide third parties (subrecipients) with ARPA funds for the purpose of responding to and recovering from the COVID-19 pandemic. A total of six (6) subrecipient organizations were awarded or slated to be awarded SLFRF funds on behalf of Prince William County. This phase of monitoring included five (5) of the six (6) subrecipients. As of December 31, 2022, the remaining one (1) subrecipient, Capital Area Food Bank, did not have an executed agreement and ARPA funds had not been disbursed; therefore, subrecipient monitoring for this organization was not yet required.

#### **Capital Area Food Bank – Award TBD**



Capital Area Food Bank (“CAFB”) is a non-profit 501(c)(3) organization serving communities across Virginia, D.C., and Maryland. CAFB strives to provide equitable access to food and opportunity to people struggling with hunger and food insecurity. The mission of CAFB is to help their neighbors by creating more equitable access to food and opportunity through community partnerships.

#### **CASA – \$2,000,000 Awarded**



CASA is an immigrant organization focused on supporting immigrant families and ensuring that all individuals have the core support necessary for full participation in society. The organization provides critical services to immigrant and working-class families, and advocates for their rights. CASA creates change through human services, community organizing, and advocacy in order to serve the full spectrum of the needs, dreams, and aspirations of members.

#### **Northern Virginia Food Rescue – \$728,455 Awarded**



The Northern Virginia Food Rescue (“NoVA Food Rescue”) is a non-profit organization which aims to address the disconnect between food insecurity and food waste by rescuing food before it is wasted and directly distributing it to Prince William County organizations that serve communities in need. Their goal is to keep healthy food out of the trash and into the hands of those who need it most. NoVA Food Rescue is slated to receive an additional \$433,438 in fiscal year 2024, which would increase their total award to \$1,161,893.

#### **Prince William County Service Authority – \$1,518,655 Awarded<sup>2</sup>**



Prince William County Service Authority Inc. (“PWCSA”) was founded in 1983 to supply drinking water and water reclamation services to residences and businesses in the Washington metropolitan area. The mission of PWCSA is dedicated to excellence in providing safe, reliable water services to their customers and returning clean water to the environment.

#### **SkillSource Group, Inc. – \$1,400,000 Awarded**



The SkillSource Group, Inc. (“SkillSource”) is a non-profit 501(c)(3) corporation that funds and oversees a range of free workforce and training initiatives on behalf of all employers, job seekers, and workers throughout Fairfax County, Loudoun County and Prince William County. SkillSource is a separate nonprofit entity of the Virginia Career Works – Northern with its own Board of Directors.

#### **The Human Services Alliance of Greater Prince William – \$10,000,000 Awarded**



The Human Services Alliance of Greater Prince William (“the Alliance”) is a 501(c)(3) nonprofit association of traditional and non-traditional human services providers that aid the residents of Prince William County and the cities of Manassas and Manassas Park. The mission of the Alliance is to be the catalyst for greater partnerships and collaboration among its network of human services organizations, the faith community, other community organizations, and interested citizens to enhance the lives of the people they support.

<sup>2</sup> The amount awarded to the Prince William County Service Authority includes \$35,634.73 in supplemental funding received to support a second round of the utility relief program. For the purposes of this monitoring phase, only the first award in the amount of \$1,483,019.98 was examined. The \$35,634.73 supplemental award will be examined in the next phase of monitoring.



## OBJECTIVES AND APPROACH

### Objectives

The primary objective of this internal audit was to conduct subrecipient monitoring of the six (6) ARPA subrecipients outlined below for the period of March 3, 2021, through December 31, 2022. The scope of this internal audit encompassed understanding and documenting ARPA programmatic, eligibility, and allowability of decisions made by each subrecipient; conducting walkthroughs to understand how the ARPA funds were managed from receipt to disbursement; as well as performing sample-based testing of expenditures to determine whether they:

1. Meet the fundamental eligibility criteria as established by U.S. Treasury;
2. Meet the eligibility criteria specified in the respective grant agreement; and
3. Were incurred after March 3, 2021 (or later date specified in each grant agreement, as applicable).

### Approach

Our audit approach consisted of the following phases:

#### Understanding and Documentation of the Process

We conducted interviews with the appropriate representatives from the County to discuss the scope and objectives of the work, obtain preliminary data, and establish working arrangements. We obtained and reviewed relevant BOCS meeting minutes; County level ARPA budgets, and certifications of receipt of Coronavirus SLFRF for each in scope subrecipient. We performed walkthroughs with each subrecipient to gain an understanding of how SLFRF were managed from receipt to disbursement, and to determine the current status of non-expended funds.

#### Monitoring and Review of Subrecipients

The purpose of this phase was to select a representative sample of expenditures from each subrecipient to determine whether they aligned with the allowable use of funds as established by the US Treasury, in addition to the procedures outlined below.

As part of our internal audit we performed the following:

- Gained an understanding and documented ARPA funding programmatic, eligibility, and allowability decisions made by the in scope subrecipients;
- Reviewed the agreements / MOUs between the County and the subrecipients;
- Determined the current status of non-expended funds of subrecipients;
- Selected a representative sample of expenditures from each subrecipient for review of the following:
  - Whether the expenditures meet the fundamental eligibility criteria as established by U.S. Treasury for the following applicable uses (as specified within the respective grant agreement):
    - Replace lost public sector revenue
    - Respond to the far-reaching public health and negative economic impacts of the pandemic
    - Invest in water, sewer, and broadband infrastructure
    - Provide premium pay for essential workers
- Evaluated the procurement method for expenditures in excess of \$10,000, as applicable
- Evaluated the application and allocation process of funds to sub-subrecipients, as applicable
- Gained an understanding of the reporting process of the subrecipients, as well as sub-subrecipients, expenditures to Prince William County
- Identified potential opportunities for process improvement(s) and underlying root cause(s).

#### Reporting

At the conclusion of this internal audit, we summarized our procedures and findings into this report. We conducted an exit meeting with each subrecipient, as well as appropriate Management personnel at the County.





## DETAILED RESULTS

Below is a summary of the funding status for each of the in scope subrecipients as of December 31, 2022. Following this summary is a report for each subrecipient's testing results. Amounts in the table have been rounded to the nearest dollar.

	Capital Area Food Bank <sup>3</sup>	CASA	NoVA Food Rescue	PWCSA	SkillSource, Inc.	The Human Services Alliance
ARPA Funding Awarded	N/A	\$2,000,000	\$728,455	\$1,483,020	\$1,400,000	\$10,000,000
ARPA Funding Expended – As of December 31, 2022	N/A	\$155,847	\$459,086	\$1,483,020	\$266,985	\$2,611,039
Exceptions Noted During Testing	N/A	\$58,578	\$8,585 <sup>4</sup>	\$ -	\$ -	\$58,757
ARPA Funds Remaining - As of December 31, 2022 <sup>5</sup>	N/A	\$1,902,731	\$277,954	\$ -	\$1,133,016	\$7,447,718
Purchases Procured in Compliance with Federal Regulations? <sup>6</sup>	N/A	X	X	N/A	✓	✓
Interest Income Earned on ARPA SLFRF Funds?	N/A	Note 1	Note 2	Note 1	Note 1	✓
Plan to Have a Single Audit in FY 2023? <sup>7</sup>	N/A	✓	Note 3	✓	✓	✓

**Note 1** – During the walk-through, it was determined the subrecipient received SLFRF funds on a reimbursement basis after expenditures were incurred. Therefore, it is safe to presume that no interest income would have been earned on funds received.

**Note 2** – Subrecipient stated they likely would not be able to track interest earned on ARPA funds. Typically, Federal grants require recipients and subrecipients to track interest earned and utilize such income to cover expenditures incurred in accordance with the applicable program. Treasury's SLFRF FAQ 10.3 states that "interest earned on CSFRF/CLFRF payments are not subject to program restrictions", nor are they required to remit interest to Treasury. As such, we are not marking this as an observation.

**Note 3** – Subrecipient does not plan to have a Single Audit performed, as they stated they have not expended more than \$750,000 in federal program awards in a single fiscal year. As such, they are not required to have a Single Audit performed.

<sup>3</sup> Capital Area Food Bank did not have an executed subrecipient agreement as of 12/31/2022 and were therefore not included in this phase of ARPA subrecipient monitoring procedures.

<sup>4</sup> Testing over labor allocated to the grant is currently ongoing. As such, this amount is preliminary and may be updated when testing procedures are completed.

<sup>5</sup> ARPA funds remaining as of December 31, 2022, includes monetary exceptions noted during testing.

<sup>6</sup> Limited to purchases made in excess of \$10,000, on a sample basis.

<sup>7</sup> A non-federal entity is required to have a Single Audit if it expends \$750,000 or more in federal program awards in its fiscal year as either a direct recipient or as a subrecipient.



## DETAILED RESULTS – CASA

**Background:** CASA is an organization focused on supporting immigrant families and ensuring that all individuals served have the core support necessary for full participation in society. The organization provides critical services to immigrant and working-class families, and advocates for their rights. CASA creates change through human services, community organizing, and advocacy in order to serve the full spectrum of the needs, dreams, and aspirations of members.

**Funding Awarded:** \$2,000,000 reimbursement basis

**Funding Expended as of December 31, 2022:** \$97,269<sup>8</sup>

**Funding Remaining as of December 31, 2022:** \$1,902,731

**ARPA SLFRF Certification Specified Use of Funds:** Training lab construction, programming start-up costs

**Walk-through Date:** February 3, 2023

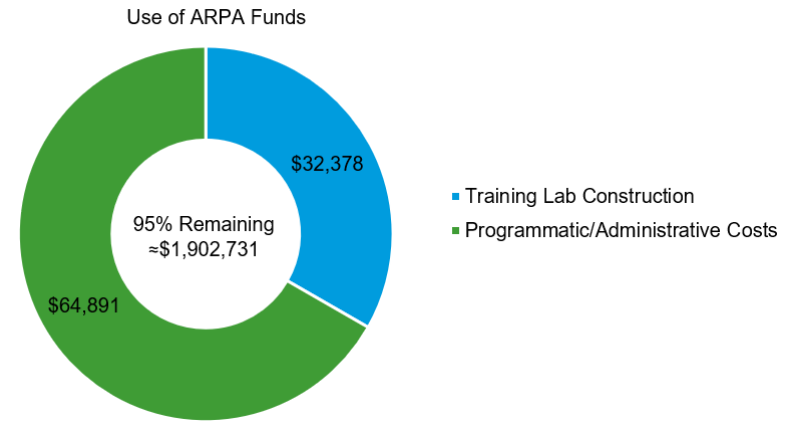
**Overview of How Funds Were Used:** Funds were applied to capital expenditures to construct a training lab within the Virginia Welcome Center building. This training lab is intended to provide vocational training, employment assistance, and trade training to residents of Prince William County. The majority of funds expended through December 31, 2022, were expended on programmatic and administrative costs related to or in support of the welcome center; administrative expenses include cleaning services, communications, insurance, rent, equipment, and supplies.

**Grant Application & Allocation Process:** N/A

**Scope of Testing:** In addition to the walk-through held on February 3, 2023, a total of thirteen (13) expenditures were tested, representing 52% of the \$155,847 spent on the supplies and services to support the renovation of the Welcome Center. As noted under observations, RSM will be expanding the sample and testing additional transactions. The results of the expanded sample will be included within a subsequent report.

### Observations:

**Observation 1:** Per review of the subrecipient agreement and through discussion with the County, only programming and administrative costs related to the Welcome Center (2359 Research Court Woodbridge VA) are an allowable use of funds. The lease agreement between CASA and CNM Old Bridge is related to another Virginia location and is not an allowable use of the County’s ARPA SLFRF funds. The invoice examined during detailed testing procedures was in the amount of \$3,529. The cumulative expenditures for this vendor during the audit period were \$25,078 based on the general ledger detail provided.



<sup>8</sup> The total amount expended through December 31, 2022, excludes the \$58,578 noted under the 'Observations' section for this subrecipient. As discussed under 'Observations', as of the date of this report we are expanding our sample and testing additional transactions. As such, the funding expended as of December 31, 2022, may be updated in a subsequent report if additional observations are identified.



## DETAILED RESULTS – CASA – CONTINUED

### Observations – Continued

**Observation 2:** All federal grants are subject to compliance with OMB's Uniform Guidance. Within the Uniform Guidance, 2 CFR 200.320 outlines the methods of procurement to be adhered to when acquiring property or services under a Federal award or sub-award. Per 2 CFR 200.320(a), informal procurement methods may be used "when the value of the procurement for property or services under a Federal award does not exceed the simplified acquisition threshold (SAT), as defined under 2 CFR 200.1, or a lower threshold established by a non-federal entity". The procurement policy for CASA requires purchases between \$4,000 and up to \$20,000 to obtain two (2) written quotes. The local procurement policy further states that purchases in excess of \$20,000 require a request for proposal be prepared and three (3) written quotes be obtained. Uniform Guidance requires purchases above the micro-purchase threshold and below the SAT (\$250,000) to obtain quotes from an adequate number of sources (generally three (3)). There were three (3) expenditures totaling \$33,500 selected for testing and found to be non-compliant with procurement requirements under 2 CFR 200.320 as well as their local procurement policy.

We discussed the results with CASA and the County, and as a result of the observations noted during testing, the County requested we expand the sample of transactions. The results of this expanded sample will be included within a future amendment to this report. All observations noted will not be eligible for reimbursement with ARPA funding. CASA has been notified that they should seek to replace ineligible costs with eligible uses within the allowable period of performance, as to take advantage of the full awarded ARPA funds.



## DETAILED RESULTS – NOVA FOOD RESCUE

**Background:** The Northern Virginia Food Rescue ("NoVA Food Rescue") is a non-profit organization which aims to address the disconnect between food insecurity and food waste by rescuing food before it is wasted and directly distributing it to Prince William County organizations that serve communities in need. Their goal is to keep healthy food out of the trash and into the hands of those who need it most.

**Funding Awarded:** \$728,455<sup>9</sup> in advanced allotments

**Funding Expended as of December 31, 2022:** \$450,501<sup>10</sup>

**Funding Remaining as of December 31, 2022:** \$277,954

**ARPA SLFRF Certification Specified Use of Funds:** To support the administrative costs of operating the feeding task force food warehouse and the rental of the warehouse space.

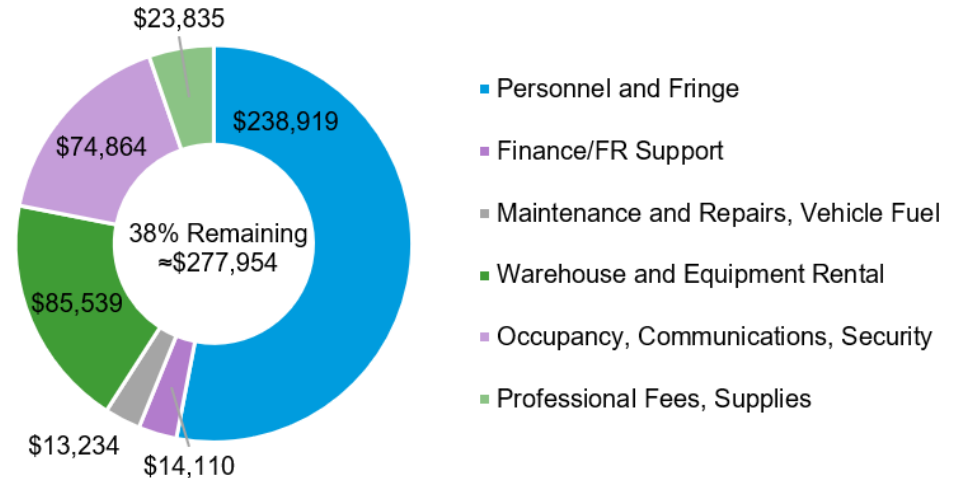
**Walk-through Date:** January 26, 2023

**Overview of How Funds Were Used:** ARPA funds were used to cover the administrative costs of NoVA Food Rescue’s response to food insecurity in ARPA-approved zip codes throughout the County. Expenditures included administrative costs of operating the feeding task force food warehouse, rental of the warehouse space, perishable food boxes, increased staffing to maintain warehouse operations, and transportation/food distribution to the sixty-two (62) eligible distribution sites within the County. The County allocated an additional \$1,338,107 towards food to be purchased directly by the County, for NoVA Food Rescue to distribute to eligible communities within Prince William County.

**Grant Application & Allocation Process:** N/A

**Scope of Testing:** In addition to the walk-through held on January 26, 2023, a total of twenty-four (24) expenditures were tested, representing 42% of the \$220,166 in operating costs spent on the supplies and services to facilitate programming and operations. For labor, fourteen (14) of the payroll entries were examined, representing approximately 9% of the \$ \$238,919 of labor costs incurred. The sample size was limited due to the level of detail in the population provided by NoVA Food Rescue. As of the date of this report, RSM is in the process of reviewing the \$238,919 of labor allocated to the program to determine whether the time and expense attributed to the grant is reflective of the hours spent performing the eligible activities noted within their SLFRF certification. The results of this review will be included within a subsequent report.

Use of ARPA Funds



<sup>9</sup> NoVA is slated to receive an additional \$433,438 in fiscal year 2024, which would increase their total award to \$1,161,893.

<sup>10</sup> The total amount expended through December 31, 2022, excludes the \$8,585 noted under the 'Observations' section for this subrecipient.



## DETAILED RESULTS – NOVA FOOD RESCUE – CONTINUED

### Observations:

**Observation 1:** Procurement documentation for one (1) expenditure totaling \$11,096 could not be provided. While the invoice amount was \$11,096, the ARPA funds reimbursed \$8,585 of the total invoice amount. Upon inquiry, the subrecipient stated the former CEO called multiple security companies to request quotes and only one (1) vendor responded to the request. Purchases in excess of the \$10,000 micro-purchase threshold require quotes from an adequate number of sources per 2 CFR 200.320. There are instances where noncompetitive procurement is allowable, one situation being after soliciting from a number of sources, competition is determined to be inadequate. The subrecipient was unable to provide documentation containing information such as: specific vendors that NoVA Food Rescue contacted to obtain quotes, including the date contact was made; any analysis performed to determine whether the quoted price was reasonable; as well as other justification as to why this item was only available through a single source. Therefore, this purchase was not compliant with the requirements of 2 CFR 200.320. As such, these costs will need to be re-classified from ARPA funding. RSM will work with the subrecipient to determine whether the re-classification is made prior to the issuance of the subsequent report.

**Process Improvement Opportunity:** The subrecipient does not currently have a finalized, documented procurement policy in effect as required by 2 CFR 200.318; the procurement policy is in draft form. 2 CFR 200.318 requires non-Federal entities to have and use documented procurement procedures, consistent with the State, local and tribal laws and regulations, for the acquisition of property or services required. As such, we recommend NoVA Food Rescue evaluate the draft version, update as needed, and adopt such policy immediately.



## DETAILED RESULTS - PRINCE WILLIAM COUNTY SERVICE AUTHORITY (“PWCSA”)

**Background:** Prince William County Service Authority Inc. (“PWCSA”) was founded in 1983 to supply drinking water and water reclamation services to residences and businesses in the Washington metropolitan area. The mission of PWCSA is dedicated to excellence in providing safe, reliable water services to their customers and returning clean water to the environment.

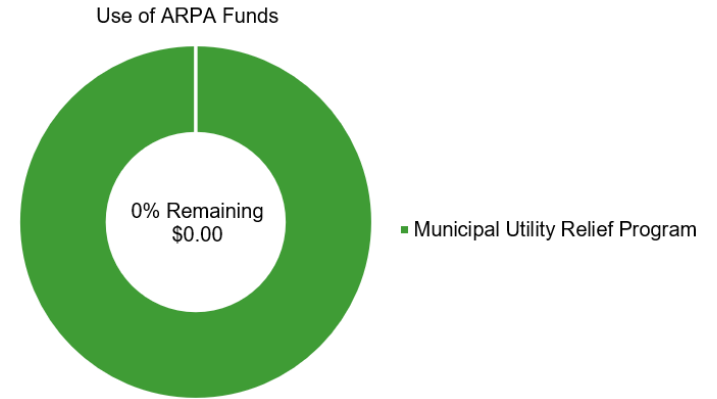
**Funding Received as of December 31, 2022:** \$1,483,020 reimbursement basis

**Funding Expended as of December 31, 2022:** \$1,483,020

**Funding Remaining as of December 31, 2022:** \$0

**ARPA SLFRF Certification Specified Use of Funds:** Municipal Utility Relief

**Walk-through Date:** January 25, 2023



**Overview of How Funds Were Used:** This program was sponsored by the Commonwealth of Virginia’s Department of Housing and Community Development to help Prince William County residents past due on their utility bill and negatively impacted by COVID-19. The interim final rule FAQ, which was in effect until April 1, 2022, stated “the Interim Final Rule allows recipients to demonstrate a negative economic impact on a population or group and to provide assistance to households or businesses that fall within that population or group. In such cases, the recipient need only demonstrate that the household or business is within the population or group that experienced a negative economic impact” (Interim Final Rule FAQ 2.17). As such, PWCSA was awarded \$1,483,020 in SLFRF for a COVID-19 ARPA SLFRF Municipal Utility Assistance Program. This required PWCSA to perform a utility arrearage analysis to pre-qualify eligible residential utility customer accounts and apply relief automatically (i.e., no application for relief). PWCSA performed this analysis and as a result, pre-qualified all customer accounts that were 60+ days past due as of August 31, 2021. Awards were pro-rated across all eligible accounts and were limited to the lesser of the customers current balance as of December 31, 2021 (date funds were applied) or the amount 60+ days past due as of August 31, 2021.

**Grant Application & Allocation Process:** Refer to ‘Overview of How Funds Were Used’.

**Scope of Testing:** In addition to the walk-through held on January 25, 2023, a total of twenty-five (25) residential utility accounts were selected for testing to confirm grants were appropriately awarded. Procedures included confirming (on a sample basis) the balance of individual customer accounts 60+ days past due as of August 31, 2021 agreed to the amounts used in PWCSA’s analysis, as well as ensuring the amount credited to the account as of December 31, 2021 agreed to the credit calculated within the analysis. Additionally, we validated that the credit awarded to the individual accounts did not exceed the balance due as of December 31, 2021.

### Observations:

There were no observations noted as part of monitoring procedures.

In addition to the \$1,483,020 examined above, the Prince William County Service Authority received \$35,635 in supplemental funding to support a second round of the utility relief program. For the purposes of this monitoring phase, only the first award in the amount of \$1,483,020 was examined. The \$35,635 supplemental award will be examined in a subsequent phase of monitoring.



## DETAILED RESULTS – SKILLSOURCE, INC.

**Background:** The SkillSource Group, Inc. (“SkillSource”) is a non-profit 501(c)(3) corporation that funds and oversees a range of free workforce and training initiatives on behalf of all employers, job seekers, and workers throughout Fairfax County, Loudoun County and Prince William County. SkillSource is a separate nonprofit entity of the Virginia Career Works – Northern with its own Board of Directors.

**Funding Awarded:** \$1,400,000 reimbursement basis

**Funding Expended as of December 31, 2022:** \$266,985

**Funding Remaining as of December 31, 2022:** \$1,133,015

**ARPA SLFRF Certification Specified Use of Funds:** Support urgent novel coronavirus (COVID-19) response efforts; support immediate economic stabilization for household and businesses; and/or address the systemic public health and economic challenges that have contributed to the unequal impacts of the pandemic.

**Walk-through Date:** January 31, 2023

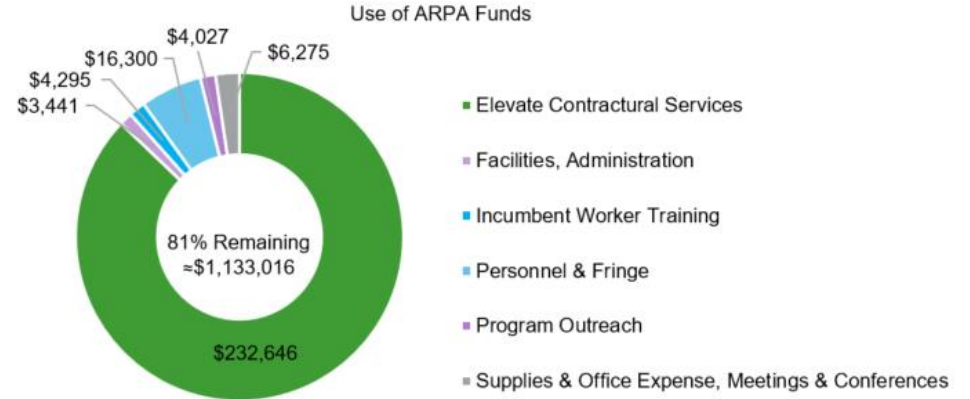
**Overview of How Funds Were Used:** SkillSource’s Elevate Program focused on assisting furloughed, unemployed, and underemployed residents of Prince William County with training, employment, and other supportive services, as well as helping employers to retain and hire qualified workers, in the wake of the COVID-19 pandemic. SkillSource worked with numerous Prince William County job seekers and employers to provide incumbent worker training, occupational training, and provide career fairs to help fill vacancies and employ individuals. SkillSource also worked directly with employers to determine whether the employer engagement, and to connect job seekers with employers. In order to be eligible for the program, employees and employers had to work within Prince William County and fill out an application specifying how they had been negatively impacted by COVID-19.

**Grant Application & Allocation Process:** Refer to ‘Overview of How Funds Were Used’.

**Scope of Testing:** In addition to the walk-through held on January 31, 2023, a total of seven (7) expenditures were tested, representing 65% of the expenditures incurred on supplies and professional services to facilitate the Elevate program. Procedures included confirmation that costs were allowable, incurred within the period of performance, procured in compliance with Uniform Guidance, and supported with underlying documentation and proof of remittance. For labor, five (5) of the payroll entries were examined, representing approximately 22% of the \$16,299 of labor costs incurred. Procedures included confirmation that time spent on ARPA-eligible activities was accurately tracked and recorded, documented, and expended.

### Observations:

There were no observations noted as part of monitoring procedures.





## DETAILED RESULTS – THE HUMAN SERVICES ALLIANCE OF GREATER PRINCE WILLIAM

**Background:** The Human Services Alliance of Greater Prince William (“the Alliance”) is a 501(c)(3) nonprofit association of traditional and non-traditional human services providers that aid the residents of Prince William County and the cities of Manassas and Manassas Park. The mission of the Alliance is to be the catalyst for greater partnerships and collaboration among its network of human services organizations, the faith community, other community organizations, and interested citizens to enhance the lives of the people they support.

**Funding Awarded:** \$10,000,000 in advanced allotments

**Funding Expended as of December 31, 2022:** \$2,552,282<sup>11</sup>

**Funding Remaining as of December 31, 2022:** \$7,447,718

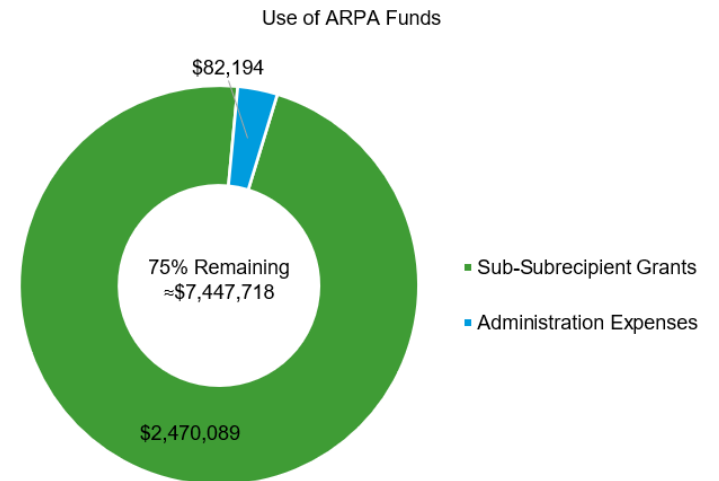
**ARPA SLFRF Certification Specified Use of Funds:** Grants for ARPA Wellbeing Programs and the administration of such programs.

**Walk-through Date:** January 25, 2023

**Overview of How Funds Were Used:** Funds were primarily used to support the facilitation of the Alliance’s non-profit grant program (refer to ‘Grant Application & Allocation Process’ below and Appendix B), including administrative/labor costs to appropriately manage the program. Additional uses of ARPA funding included purchasing technology to support community outreach, data management, and effective internal and external communication. The ‘Administration and Other’ category shown in the pie chart legend above includes: Advertising & Marketing, Bank Fees, Accounting Fees, Legal and Professional fees, Contract Services, Subcontractor Expense, Facility Rent, Software, Office Supplies, Payroll Expenses, Training and Education, and Utilities.

**Grant Application & Allocation Process:** In the Spring of 2022, the Alliance began accepting applications for ARPA grants of up to \$300,000 each to respond to or mitigate the public health emergency with respect to COVID-19 or its economic impacts, cover costs incurred as a result of such emergency, or address the negative economic impacts of such emergency. Eligible applicants included non-profit organizations that served qualifying Prince William County residents. Grants were intended to address COVID-19 recovery efforts by providing the following types of services: benefits navigation assistance; utility assistance; access to mental and behavioral health assistance to include preventative medicine; employment support; childcare costs; emergency shelter; and administration for hunger relief programs.

The Alliance received over sixty (60) grant applications. Individuals within the community were recruited by the Alliance to apply to be a grant application reviewer. The opportunity to serve as a reviewer was announced on the Alliance’s website, social media, during the Prince William Chamber of Commerce’s Not-For-Profit Council meetings, among others. In total, fifteen (15) individuals served as reviewers over the applications received. All reviewers were trained on the PWC ARPA Community Grant Program’s funding source, areas of focus, scoring criteria, and online proposal scoring tool. Reviewers performed a ‘blind’ review, meaning they did not know the organization name as they were reviewing a proposal. A total of five (5) individuals scored each application, and the average of the five (5) reviewers score became the final scoring for the respective application. Prior to being selected to serve as reviewers, the volunteers completed an application in which they stated their interest, potential conflicts of interest, and experience serving the community. In order to avoid a conflict of interest, all reviewers were sent a listing of organizations that had submitted a proposal after the RFP period closed. Reviewers with a conflict of interest were not assigned to review the conflicting organization’s proposal.



<sup>11</sup> The total amount expended through December 31, 2022 excludes the, \$58,757 noted under the ‘Observations’ section for this subrecipient.





## DETAILED RESULTS – THE HUMAN SERVICES ALLIANCE OF GREATER PRINCE WILLIAM – CONTINUED

### Grant Application & Allocation Process – Continued

In total, thirty-three (33) organizations were awarded a total of \$6,669,290 to carry out the projects described within each application. Partial advancements were given to each organization, and subsequent distributions were and continue to be disbursed as each organization provides support to substantiate that previously received funds have been expended. The Alliance requires monthly reporting to verify expenditures recorded are accurate and allowable. As a result of these monitoring events, the Alliance has defunded one (1) organization as of December 31, 2022, for not spending the funds in accordance with the program plan.

**Scope of Testing:** In addition to the walk-through held on January 25, 2023, a total of thirteen (13) expenditures were tested, representing 31% of the \$59,940 in operating costs expended on supplies and services to facilitate community programming. Procedures included confirmation that costs were allowable, incurred within the period of performance, procured in compliance with Uniform Guidance, and supported with underlying documentation and proof of remittance.

For labor, seven (7) of the forty-seven (47) payroll entries were examined, representing approximately 17% of the \$81,011 of labor costs incurred. Procedures included confirmation that time spent on ARPA-eligible activities was accurately tracked, documented, and expended.

For grants, ten (10) of the thirty-three (33) grantees were examined, representing approximately 54% of the \$2,470,089 funds distributed to grantees as of December 31, 2022. Procedures included confirmation that the application and award process was properly documented, that an executed contract defining allowable activities existed between the Alliance and the sub-subrecipient, the subrecipient performed monitoring activities on the sub-subrecipient, and that payment documentation existed to support funds that were distributed to the sub-subrecipient.

### Observations:

The observations below are solely related to program administrative expenses. There were no observations over the grant application and allocation process.

**Observation 1:** The invoice/receipt and corresponding payment support could not be provided for three (3) expenditures totaling \$1,203. Therefore, we are unable to confirm the invoice date is within the period of performance, the invoice total agrees to the amount requested for reimbursement, or the description of goods/services provided is in alignment with the executed grant agreement. We are also unable to confirm the payment date is within the period of performance or that the payment has cleared the bank in the amount that agrees to the goods/services purchased.

**Observation 2:** The invoice provided for one (1) expenditure totaling \$556 was dated prior to the period of performance.

**Observation 3:** An explanation of how an expenditure was incurred in response to the COVID-19 public health crisis could not be provided for one (1) expenditure totaling \$500.

**Observation 4:** The time sheet could not be provided for three (3) payroll expenditures totaling \$3,200. Therefore, we are unable to confirm that the time was incurred during the period of performance, the employee's name and description of service is in line with the awarded project, or the total hours worked agrees to the payroll register.

**Observation 5:** Payroll documentation could not be provided for one (1) payroll expenditure totaling \$4,378. Therefore, we are unable to confirm the time was spent on allowable activities as specified within the Alliance's ARPA Agreement.

As a result of the observations noted, the Alliance performed a self-review of their ARPA GL detail and elected to remove an additional \$48,900 of expenditures. In total, \$58,757 was reclassified from ARPA funding. These additional costs are not included in the funding expended as of December 31, 2022, noted above.

**Process Improvement Opportunity:** The subrecipient does not currently have a finalized documented procurement policy as required by 2 CFR 200.318. 2 CFR 200.318 requires non-Federal entities to have and use documented procurement procedures, consistent with the State, local and tribal laws and regulations, for the acquisition of property or services required. As such, we recommend the Alliance create and adopt such policy as soon as possible.



## APPENDIX A: TOOL FOR MONITORING THE SUBRECIPIENT(S) OF U.S. TREASURY ARPA STATE AND LOCAL FISCAL RECOVERY FUNDS (CSLFRF)

**Applicability:** This tool is applicable to monitoring ARPA SLFRF made to subrecipients by Prince William County acting as grantee.

<b>Subrecipient Name:</b>			
<b>Type of Subrecipient:</b>			
<b>Amount of Funding Received:</b>			
<b>Subrecipient Primary Contact Information (Name, email, phone)</b>			
<b>Date of Review:</b>		<b>Review Performed By:</b>	
<b>Award Amount:</b>			
<b>Eligible Use of Funds Per Subrecipient Agreement:</b>			
<b>Date of Executed Agreement:</b>			

<i>GENERAL MONITORING</i>	
1. Total amount of PWC ARPA CSLFRF expended as of December 31, 2022.	
2. For all PWC ARPA CSLFRF obligated or expended, please provide: <ul style="list-style-type: none"> <li>a. A brief summary of what has been done with funds expended to date, including programs funded and populations served</li> <li>b. How populations served were identified (i.e., how does the subrecipient ensure the population is eligible to receive assistance?)</li> <li>c.</li> </ul>	
3. How does the subrecipient report the use of funds expended to Prince William County? How often does reporting occur?	
4. What is the amount of ARPA CSLFRF received that have not been expended or obligated as of December 31, 2022? What is the current plan for expending these funds? Is there any concern about being able to expend the funds by the date established in Attachment A of the Subrecipient Agreement (typically December 31, 2024)?	
5. Were any ARPA CSLFRF used towards payroll and covered benefits for public safety, public health, health care, human services or similar employees? If so, is time spent responding to COVID-19 being tracked on an individual level? If individuals and / or divisions are considered 'primarily dedicated' (over 50% of time) to responding to COVID-19, are you periodically conducting assessments and maintaining records to determine whether the assessment is still accurate?	
6. Were any ARPA CSLFRF used towards payroll for grant administration? If so, are hours being tracked and recorded?	
7. Has any interest been earned from ARPA CSLFRF granted by the County? <ul style="list-style-type: none"> <li>a. If so, how much interest has been earned?</li> </ul>	



b. What was done with the interest income?	
8. Does the subrecipient have a procurement policy? Is the subrecipient aware of 2 CFR 200.320 procurement requirements? Is there any concern about complying with 2 CFR 200.320 procurement requirements?	
9. Has the subrecipient procured ARPA CSLFRF goods and/or services greater than \$10,000? a. Did the subrecipient issue an RFP/RFQ for goods and/ or services greater than \$10,000? If a noncompetitive procurement was utilized due to the public exigency / emergency, please provide a memo justifying the use of the noncompetitive procurement. b. Where were RFP/ RFQ's advertised / solicited? c. For purchases made in excess of \$10,000, how did the subrecipient determine costs were reasonable?	
10. Has your organization received ARPA funds from multiple sources? If so, how are expenditures from each source being tracked to ensure compliance with contract requirements / ensure no duplication of benefits?	
11. Does the subrecipient intend on having a Single Audit performed for FY23? Has the subrecipient been subject to a Single Audit in the past 2 years? If so, please provide a copy.  <i>Pursuant to 2 C.F.R. Part 200 Subpart F, recipients expending \$750,000 or more from all federal sources within a fiscal year are required to have a Single Audit conducted for that fiscal year.</i>	
12. Does the subrecipient have a conflict of interest policy? If so, please provide a copy.  <i>Pursuant to 2 C.F.R Part 200.318(c), The non-Federal entity must maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts.</i>	








<i>SUB-GRANTEES / SUB-SUBRECIPIENTS</i>	
1. Was a sub-subrecipient organization provided ARPA CSLFRF to use for eligible expenses? If so, please provide a listing of all sub-subrecipients along with total amounts and date(s) awarded:	
2. Is there a written contract or agreement of understanding with each sub-subrecipient documenting the award amount and eligible use(s) of funds?	
3. Please provide background on the grant application process, as well as how sub-subrecipients were selected to receive funding? Did all applicants who applied receive funding?	
4. Were sub-subrecipients evaluated for risk of noncompliance? (i.e., consider prior experience managing Federal funds, previous audits, personnel, and policies or procedures for award execution and oversight?)	
5. How did the subrecipient determine the amount to allocate to each sub-subrecipient?	
6. Who was involved in the award selection process? If a board or committee was responsible for selecting sub-subrecipients, please provide the complete list of individuals involved.	
7. How is the subrecipient monitoring the sub-subrecipient for compliance (i.e., Allowability of expenditures, as well as amount expended)?	





































## APPENDIX B: ALLIANCE ARPA PARTNER ORGANIZATIONS AND SERVICES PROVIDED

The following document was internally created by the Human Services Alliance of Greater Prince William to demonstrate the services various non-profits were to provide to the community through their ARPA grant funding. This chart is based on the sub-subrecipient organizations initially awarded funds through the Alliance's grant program, and may contain organizations which have since been defunded.

### ICON GUIDE

-  = Navigation and Application Assistance for Rent, Mortgage and Public Benefits for Households
-  = Childcare Assistance
-  = Mental or Behavioral Health
-  = Food Distribution
-  = Employment Support
-  = Emergency Shelter
-  = Utility Assistance


PROJECT #	ORGANIZATION	SERVICES PROVIDED						
								
1.	ACTION in Community Through Service (ACTS)		-		-	-	-	
2.	All Saint's Church		-	-	-	-	-	-
3.	Blue Ribbon Results Academy	-	-	-	-	-	-	
4.	BRAWS	-	-	-		-	-	-
5.	CASA, Inc.	-		-	-	-	-	-
6.	Centro de Apoyo Familiar			-	-	-	-	-
7.	Crossroads Connection		-	-	-	-	-	-
8.	Edu-Futuro	-		-		-	-	-
9.	First Home Alliance	-		-	-	-	-	-
10.	Formed Families Forward	-	-		-	-	-	-
11.	George Mason University	-	-		-	-	-	-
12.	Grace Life Community Church		-	-	-	-	-	-
13.	Greater Prince William Health Center	-	-		-	-	-	-
14.	HireGround	-	-	-		-	-	-
15.	Muslim Association of Virginia		-	-	-	-	-	-
16.	New Creatures-In-Christ Ministries, Inc.			-				-
17.	Northern Virginia Family Service	-		-	-	-	-	-
18.	Northern Virginia Food Rescue		-	-	-	-	-	-
19.	Northern Virginia Veterans Association	-		-	-	-	-	-



# PRINCE WILLIAM COUNTY

20.	Postpartum Support Virginia	-	-		-	-	-	-
21.	Prince William County Community Foundation, Inc.		-	-	-	-	-	-
22.	St. Francis of Assisi Catholic Church Triangle	-	-	-	-		-	-
23.	St. Thomas United Methodist Church			-			-	
24.	Streetlight Community Outreach Ministries	-	-	-	-			-
25.	Tenants and Workers United	-		-	-	-	-	-
26.	The Arc of Greater Prince William	-	-		-	-	-	-
27.	The Good News Community Food Kitchen		-	-	-	-	-	-
28.	The House, Inc.		-	-	-	-	-	-
29.	The Women's Center, Inc.	-	-		-	-	-	-
30.	Virginia Community Food Connections		-	-	-	-	-	-
31.	Woodbridge First Church of the Nazarene (Woodbridge Nazarene)		-	-	-	-	-	-
32.	Woodbridge Workers Committee	-	-	-	-		-	-
33.	Youth For Tomorrow New Life Center	-	-		-	-	-	-

**All services are provided to Prince William County residents free of charge. For some services, applicants may need to meet income-eligibility requirements or show they have been financially impacted by the COVID-19 pandemic or its shutdowns. Each service provider will conduct its own prescreening for eligibility.**



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