



DATE: April 6, 2022
TO: Michelle Kennedy, Director of Neighborhood Development
FROM: Internal Audit Division
SUBJECT: Family Service of the Piedmont, Incorporated 2020-2021
(No Response Required)

The Internal Audit Division has performed our annual monitoring visit of Family Service of the Piedmont, Incorporated (“Agency” or “Grant Recipient”), which received a Homeless Prevention Services Grant in the amount of \$25,000 from the City of Greensboro during the 2020 to 2021 grant year.

The Homelessness Prevention Services Grant Allocation of \$25,000, comprised of funds from the Community Development Block Grant (CDBG) Program, designated as grant number B-20-MC-37-0007, was awarded to help meet the costs of operating their emergency shelter, Clara’s House; and providing certain essential services to homeless individuals within legal boundaries of the City. An estimated 200 total number of people in domestic violence homeless households were projected to be served during the course of the contract period. The Grant Recipient shall provide the shelter for up to 19 individuals at any given time. Eligible costs to be reimbursed included personnel (\$14,832), fringe benefits (\$4,566), utilities (\$5,102), and groceries (\$500).


All funds were expended within the grant year.

Note 11 to the audited financial statements for the year ended June 30, 2021 stated: “On March 27, 2020, the federal government passed the Coronavirus Aid, Relief, and Economic Security (“CARES”) Act that created up to \$349 billion in forgivable loans (“Paycheck Protection Program”) to businesses and not for profit organizations to pay employees during the COVID-19 pandemic. If the businesses and not for profit organizations used the Payroll Protection Program loan funds to cover payroll costs, mortgage interest, rent and utility costs over an 8 or 24 week period after the loan was made and maintained employee and compensation level, they can request forgiveness of the loan. In accordance with ASC 450-30, Contingencies, the proceeds from the loan would remain recorded as a liability until the forgiveness of the Paycheck Protection Program loan, at which time the earnings impact would be recognized. On April 15, 2020, the Agency obtained \$1,326,900 in Paycheck Protection Program loan proceeds. At June 30, 2020, the Agency had \$500,000 in unspent loan proceeds which is recorded as a refundable advance on the Statements of Financial Position and recorded \$826,900 in loan forgiveness revenues due to the fact that the Agency believes they have met the applicable requirements to have those expenditures forgiven. For the year ended June 30, 2021, the Agency recorded the remaining \$500,000 in loan forgiveness due to the fact that the agency believes they met


the applicable requirements to have those expenditures forgiven. Subsequent to year end, the Agency received notice from the Small Business Administration that the entire \$1,326,900 was officially forgiven."

We examined selected financial transactions and program documentation maintained by the Agency for compliance with the contract. Based on our review, it appears that the funds have been spent according to the terms of the contract.

We would like to thank the Chief Financial Officer, Marie Whitfield, for providing the documentation needed to complete this review. If there are any questions or comments concerning the details of this visit, we can be reached at 373-4528.



Tina McKoy
Internal Auditor



Len Lucas
Internal Audit Director

Cc: Chris Wilson, Deputy City Manager
Larry Davis, Assistant City Manager
Cyndi Blue, Manager of Housing Services, Neighborhood Development
Caitlin Bowers, Community Development Analyst, Neighborhood Development
Charla Gaskins, Federal Compliance Coordinator, Neighborhood Development
Elizabeth Alverson, Homelessness Prevention Coordinator, Neighborhood Development
Thomas Campbell, President/Chief Executive Officer, Family Service of the Piedmont
Marie Whitfield, Chief Financial Officer, Family Service of the Piedmont



NEIGHBORHOOD DEVELOPMENT

November 22, 2021

Thomas Campbell, President
Family Service of the Piedmont
315 E. Washington St.
Greensboro, NC 27401

Dear Thomas Campbell:

The City of Greensboro's Neighborhood Development Department is issuing this report based upon the monitoring function for the subrecipient agreement between Family Service of the Piedmont and the City of Greensboro to provide emergency shelter services for victims of domestic violence at Clara's House. The scope of the compliance monitoring addresses a desk review of cost allowability and program requirements.

The purpose of this monitoring is to determine compliance with ESG funding requirements, agreement requirements, rules, and regulations during fiscal year 2020-2021. On November 22, compliance monitoring of program requirements was completed. Enclosed you will find the City of Greensboro's Fiscal Year 2020-2021 compliance monitoring review for Clara's House which documents the details of the review. There were no findings or concerns resulting from this monitoring review, therefore an official response is not required. If Family Service of the Piedmont would like to submit a response, the response should be submitted in writing to Charla Gaskins within 14 days of this letter.

Neighborhood Development staff appreciates the assistance and documentation that Ms. Lauren Doyle, Grants Management Specialist, provided during the desk review. As a reminder, all project files are to be maintained for a period of seven years from the final payment under the agreement.

Sincerely,

Charla Gaskins
Federal Compliance Coordinator

Michelle Kennedy
Director

Attachment

cc: Chris Wilson, Interim City Manager

Elizabeth Danley, Homeless Prevention Program Coordinator, Neighborhood Development
Caitlin Bowers, Community Development Analyst, Neighborhood Development
Tina McKoy, Internal Auditor, Executive
Curtis Collins, Board Chair, Family Service of the Piedmont



QUESTIONS	YES	NO	N/A	NOTES
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A. ELIGIBILITY					
1.	Was the activity classified as a presumed benefit? [24 CFR 570.208(a)(2)(i)(A)]	X			
2.	Did the emergency shelter meet the definition of emergency shelter? [24 CFR 576.2; 24 CFR 576.102]	X			
3.	Were all essential services provided only in an emergency shelter or to homeless individuals and families staying in emergency shelter? [24 CFR 576.102(a)]	X			
4.	Were activities consistent with the City's 2020-2024 Consolidated plan?	X			
5.	Was this activity classified under an eligible program component for ESG match?	X			
6.	Did an inspection report reflect that the shelter met the minimum safety and sanitation standards? [24 CFR 576.403(b); 24 CFR 576.500(j)]		X		Per the agreement, shelter inspections are required at the beginning of the fiscal year. Staff has completed and submitted a shelter inspection for the FY 21-22 and plans to complete future inspections at the beginning of the fiscal year. Fire inspections occur on a 3 year cycle; the last inspections passed May 2019 and September 2019. No findings or concerns.

B. COST ALLOWABILITY					
1.	Were expenditures necessary and reasonable for proper and efficient administration of the program? [24 CFR 85.22 and 2 CFR Part 225, Appendix B]	X			
2.	Were expenses eligible for the program? [2CFR Part 225, Appendix B]	X			

QUESTIONS		YES	NO	N/A	NOTES
3.	Were funds used for the costs of maintenance, rent, security, fuel, equipment, insurance, utilities, food, furnishings, supplies necessary for the operation of the emergency shelter, and, when no appropriate emergency shelter is available, for hotel or motel vouchers for homeless families or individuals? [24 CFR 576.102(a)(3); 24 CFR 576.500(k); 24 CFR 576.500(u)(2)]	X			
4.	Were all purchases less than \$5,000	X			
5.	Were all funds expended by June 30th?	X			

C. SCOPE AND SERVICES RENDERED					
1.	Did the subrecipient meet or exceed the estimated number of people to be served?	X			An estimated 125 households consisting of 200 individuals were expected to be served; 130 households consisting of 216 individuals were actually served.
2.	Did the subrecipient report program participant data in HMIS or a comparable database?	X			