



# PRINCE WILLIAM COUNTY

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## Prince William County, Virginia Internal Audit Report: American Rescue Plan Act Calendar Year 2023 Subrecipient Monitoring Report (Interim)

December 20, 2023





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## TRANSMITTAL LETTER

December 20, 2023

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

Pursuant to the statement of work dated August 7, 2023, 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") Calendar Year ("CY") 2023 Subrecipient Monitoring (Interim). We will be presenting this interim report to the Board Audit Committee of Prince William County at the next scheduled meeting on January 16, 2024. A subsequent comprehensive report will be prepared upon the completion of the second phase of CY 2023 monitoring, which is scheduled to begin in January 2024.

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>Interim Results</b>	This section includes a description of the funding received, current review status, as well as observations noted by subrecipient during our review. When applicable, program enhancement opportunities for consideration are included.
<b>Exhibit A: Calendar Year 2022 Detailed Results</b>	This section includes the calendar year 2022 detailed results as reported to the Board Audit Committee of Prince William County on July 25, 2023.

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 and RSM Scope

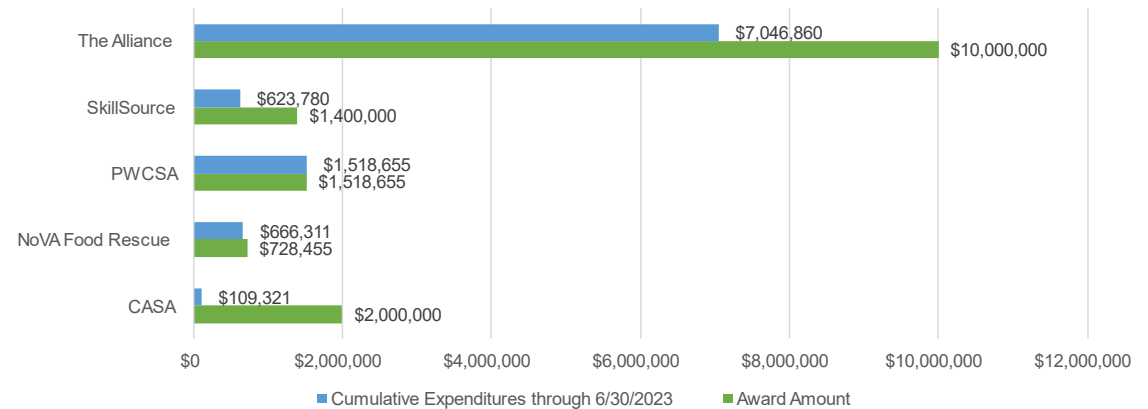
On March 11, 2021, President Biden signed the American Rescue Plan Act, which in part authorized the Coronavirus State and Local Fiscal Recovery Fund (“SLFRF”). The SLFRF program delivered \$350 billion to state, territorial, local, and Tribal governments across the country to support their response 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 subrecipients 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 for this interim report was January 1, 2023 to June 30, 2023 for each subrecipient. Monitoring over July 1, 2023 to December 31, 2023 expenditures is scheduled to begin in January 2024. At the conclusion of the second phase of monitoring, a comprehensive report covering the entire calendar year will be prepared and presented to the Board Audit Committee of Prince William County.

#### Subrecipient Monitoring Status by Year

Subrecipient Monitored	CY 2022 Status	CY 2023 1/1/23 – 6/30/23
Capital Area Food Bank <sup>1</sup>	N/A	N/A
CASA	Complete	In progress
Northern Virginia Food Rescue (“NoVA Food Rescue”)	Complete	In progress
Prince William County Service Authority (“PWCSA”)	Complete	Complete
SkillSource Group, Inc. (“SkillSource”)	Complete	Complete
The Human Services Alliance of Greater Prince William (“The Alliance”)	Complete	In progress

#### Cumulative Subrecipient Spending Status



<sup>1</sup> Capital Area Food Bank’s executed subrecipient agreement was signed in September 2023. Therefore, they were not included in this phase of ARPA subrecipient monitoring procedures. Capital Area Food Bank will be included in the second phase of monitoring, scheduled to begin in January 2024.

## INTERIM RESULTS

Below is a summary of the funding status for each of the in scope subrecipients as of June 30, 2023. Following this summary is a brief report with each subrecipient's testing results. Amounts in the table have been rounded to the nearest dollar.

Subrecipient	CASA	NoVA Food Rescue	PWCSA	SkillSource	The Alliance
<b>SLFRF Certification Specified Use of Funds</b>	Training lab construction, programming start-up costs at the Welcome Center.	To support the administrative costs of operating the feeding task force food warehouse and the rental of the warehouse space.	Municipal utility relief	Support urgent novel coronavirus (COVID-19) response efforts; support immediate economic stabilization for households and businesses; and/or address the systemic public health and economic challenges that have contributed to the inequal impacts of the pandemic.	Grants for ARPA Wellbeing Programs and the administration of such programs.
<b>1/1/23 – 6/30/23 Status</b>	<b>In Progress</b>	<b>In Progress</b>	<b>Complete</b>	<b>Complete</b>	<b>In Progress</b>
<b>Total Award</b>	\$2,000,000	\$728,455 <sup>2</sup>	\$1,518,655	\$1,400,000	\$10,000,000
<b>CY 2022 Expenditures<sup>3</sup></b>	\$35,815	\$441,601	\$1,483,020	\$266,985	\$2,552,282
<b>1/1/23 – 6/30/23 Reported Expenditures</b>	\$150,750	\$224,710	\$35,635	\$356,795	\$4,494,578
<b>1/1/23 – 6/30/23 Observations<sup>4</sup></b>	\$77,244*	\$0*	\$0	\$0	\$0*
<b>Funds Remaining<sup>5</sup></b>	\$1,890,679**	\$62,144**	\$0	\$776,220	\$2,953,140**

<sup>2</sup> NoVA Food Rescue was awarded an additional \$422,041 for fiscal year 2024, beginning July 1, 2023. This will increase their total award amount to \$1,150,496. The initial allocated amount for fiscal year 2024 was previously \$433,438. The difference of \$11,397 is being re-allocated to food acquisition to be purchased by the County on behalf of NoVA Food Rescue.

<sup>3</sup> Excludes observations.

<sup>4</sup> \*Indicates testing is in progress and amounts may change as testing continues. Amounts reported are as of December 13, 2023.

<sup>5</sup> \*\* Indicates funds remaining may be impacted by testing in progress.

## INTERIM RESULTS (CONTINUED)

Below contains a testing status update as of December 13, 2023, for each of the in scope subrecipients. Although the testing period was January 1, 2023 to June 30, 2023, we have also included an update on the two (2) subrecipients (CASA and NoVA Food Rescue) that had outstanding CY 2022 items as of the date of the CY 2022 ARPA report.

Subrecipient	CASA
Period	July 1, 2022 – December 31, 2022
Status	Complete
	<p>Due to the results of the Q1 and Q2 FY 2023 monitoring and in an effort to maintain compliance with Federal Statutes, regulations and the term and conditions of the subaward, the County elected to perform 100% reviews for all invoices previously submitted and all submissions going forward.</p> <p>Observations amount to \$120,032 out of the \$155,847 requested, detailed below:</p> <ol style="list-style-type: none"> <li>Procurement – CASA was unable to provide documentation to support that procurement methods were in compliance with 2 CFR 200.320. This impacted fifteen (15) vendors, totaling \$92,716.</li> <li>Site location – Identified \$26,789 of administrative costs related to CASA locations separate from the project location, Welcome Center located at 2359 Research Court.</li> <li>Ineligible Cost – Identified one (1) expenditure totaling \$527 for an employee's English as a Second Language course. Upon review it was determined these purchases were not in alignment with the allowable costs outlined in their respective grant agreement with the County.</li> </ol>
Period	January 1, 2023 – March 31, 2023
Status	In Progress
	<p>CASA has a total of \$49,442 of observations out of the \$118,051 requested, detailed below:</p> <ol style="list-style-type: none"> <li>Procurement – CASA was unable to provide documentation to support that procurement methods were in compliance with 2 CFR 200.320. This impacted nine (9) vendors, totaling \$46,898. This is a carryover comment from prior testing, as results from the initial testing of CY 2022 were not complete until June 2023.</li> <li>Ineligible cost – Two (2) purchases totaling \$2,544 were made for marketing items such as: lip balm, hand sanitizer, drawstring bags, hoodies, etc. Upon review it was determined these purchases were not in alignment with the allowable costs outlined in their respective grant agreement with the County.</li> </ol> <p>There is one (1) item which remains outstanding, amounting to \$36,124.</p>
Period	April 1, 2023 – June 30, 2023
Status	Complete
	<p>CASA has a total of \$27,802 of observations out of the \$32,699 requested, detailed below:</p> <ol style="list-style-type: none"> <li>Procurement – CASA was unable to provide documentation to support procurement methods were in compliance with 2 CFR 200.320. This impacted nine (9) vendors, totaling \$20,302. This is a carryover comment from prior testing, as results from the initial testing of CY 2022 were not complete until June 2023.</li> <li>Ineligible cost – Two (2) purchases totaling \$5,600 were made for marketing items such as: lanyards, thermometers, sunscreen, pill boxes, fidget fun blocks, etc. Upon review it was determined these purchases were not in alignment with the allowable costs outlined in their respective grant agreement with the County.</li> <li>Duplicate invoice – One (1) purchase for \$1,900 was identified as a duplicate expense.</li> </ol>



## INTERIM RESULTS (CONTINUED)

Subrecipient	NoVA Food Rescue
<b>Period</b>	<b>January 1, 2022 – December 31, 2022</b>
<b>Status</b>	<b>Complete</b>
	<p>As of the CY 2022 Subrecipient Monitoring Report, RSM was reviewing \$238,919 of labor allocated to the program to determine whether the time and expense attributed was reflective of the actual time spent performing eligible activities as noted within their subrecipient agreement. Upon our review, it was determined that NoVA Food Rescue was not tracking actual hours worked and activities performed on the program. As such, NoVA Food Rescue was tasked with developing a reasonable methodology for calculating and allocating time spent on eligible ARPA program activities.</p> <p>NoVA Food Rescue developed an allocation methodology utilizing data from their Food Rescue Hero application. This application estimates food weight based on the size of the bag of food received by NoVA, and is utilized to record, track and export metrics related to their food recovery program. The data from Food Rescue Hero was utilized to calculate the percentage of pounds of food moved to eligible ARPA partners within Prince William County, out of the total pounds of food moved within Prince William County. The calculation performed by NoVA Food Rescue determined that approximately 90% of their time within Prince William County was serving ARPA eligible communities.</p> <p>This percentage was applied to the salaries and fringe benefit costs of their Prince William County employees working on the program. In instances where an employee performed more of an administrative role, the 10% de minimis rate was applied. As a result, a total of \$230,020 of salaries was applied to the program, \$8,899 short of what was initially attributed to the grant. Thus, NoVA Food Rescue made an adjusting journal entry to remove the \$8,899 from their ARPA funding that was not supported through their analysis.</p> <p>NoVA Food Rescue also provided the adjusting journal entries for the \$8,585 procurement observation noted in the CY 2022 subrecipient monitoring report to evidence those funds were re-classified from ARPA funding.</p>
<b>Period</b>	<b>January 1, 2023 – June 30, 2023</b>
<b>Status</b>	<b>In Progress</b>
	<p>There are currently no known observations related to NoVA Food Rescue's purchases. However, there are six (6) vendors totaling \$10,070 from our sample for whom we are requesting procurement documentation. Observations may arise depending on the procurement methods utilized for these transactions and may impact costs beyond our sample.</p> <p>Additionally, personnel costs from January 1, 2023, through June 30, 2023 totaled \$107,482. Similar to CY 2022, actual time spent on the ARPA program was not tracked. If NoVA Food Rescue is unable to provide a methodology to reasonably allocate time and costs spent in response to the ARPA program, the costs will be considered an ineligible use of funds. There is also a possibility that after performing the calculation, the costs attributed to the ARPA program will be overstated and may require an adjusting journal entry to re-classify the expenditure to another source of funding, as was done in CY 2022.</p>



## INTERIM RESULTS (CONTINUED)

<b>Subrecipient</b>	<b>Prince William County Service Authority (“PWCSA”)</b>
<b>Period</b>	<b>January 1, 2023 – June 30, 2023</b>
<b>Status</b>	<b>Complete</b>
	There were no observations noted as part of our review for this period.

<b>Subrecipient</b>	<b>SkillSource Group, Inc. (“SkillSource”)</b>
<b>Period</b>	<b>January 1, 2023 – June 30, 2023</b>
<b>Status</b>	<b>Complete</b>
	There were no observations noted as part of our review for this period.  Improvement Opportunity – It was noted during the review that the contract with Fairfax County was renewed one (1) week after the contract term expired. We recommend extending contracts, where permissible under such contract, prior to contract expiration to minimize the risk of service disruption and facilitate continued compliance with procurement requirements.

<b>Subrecipient</b>	<b>The Human Services Alliance of Greater Prince William (“the Alliance”)</b>
<b>Period</b>	<b>January 1, 2023 – June 30, 2023</b>
<b>Status</b>	<b>In Progress</b>
	There are currently no known observations. However, there are multiple document requests outstanding for purchases, labor, and grant expenditures. Included in the outstanding document request list for purchases is procurement support for multiple vendors. As such, we anticipate there could be observations surrounding procurement once all requested documentation is received and reviewed.





## EXHIBIT A: CY 2022 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>6</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

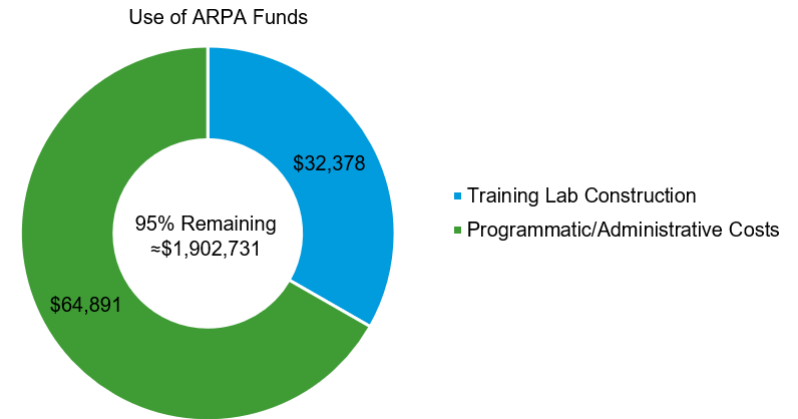
**Overview of How Funds Were Used:** Funds were applied to capital expenditures to construct a training lab within the Virginia Welcome Center building. This training lab is intended to provide vocational training, employment assistance, and trade training to residents of Prince William County. The majority 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>6</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.



## EXHIBIT A: CY 2022 DETAILED RESULTS (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.



## EXHIBIT A: CY 2022 DETAILED RESULTS (CONTINUED)

### 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>7</sup> in advanced allotments

**Funding Expended as of December 31, 2022:** \$450,501<sup>8</sup>

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

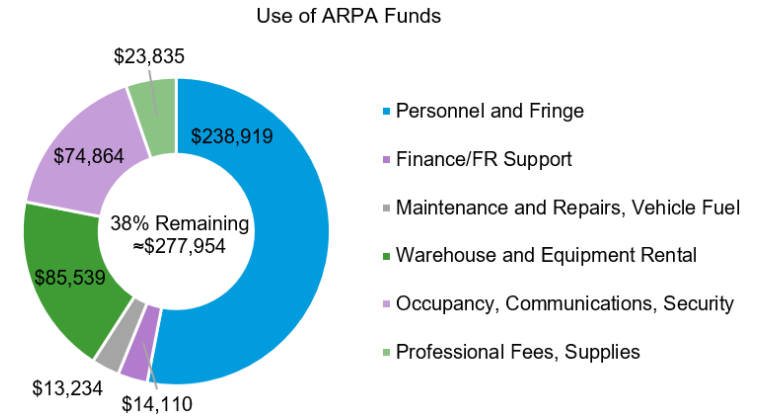
**ARPA SLFRF Certification Specified Use of Funds:** To support the administrative costs of operating the feeding task force food warehouse and the rental of the warehouse space.

**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.



<sup>7</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>8</sup> The total amount expended through December 31, 2022, excludes the \$8,585 noted under the 'Observations' section for this subrecipient.



## EXHIBIT A: CY 2022 DETAILED RESULTS (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.



## EXHIBIT A: CY 2022 DETAILED RESULTS (CONTINUED)

### 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.

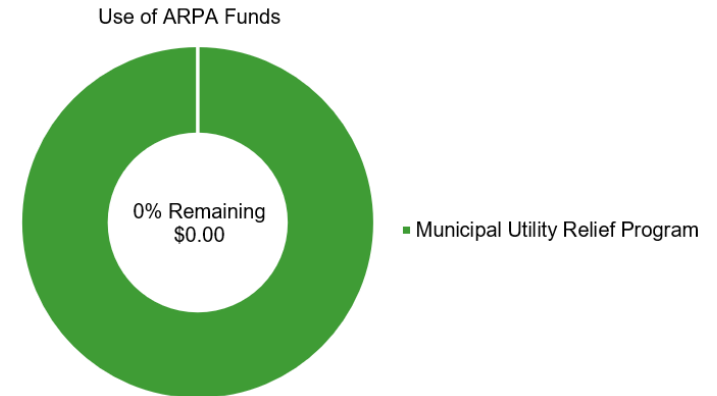
**Grant Application & Allocation Process:** Refer to ‘Overview of How Funds Were Used’.

**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.





## EXHIBIT A: CY 2022 DETAILED RESULTS (CONTINUED)

### 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

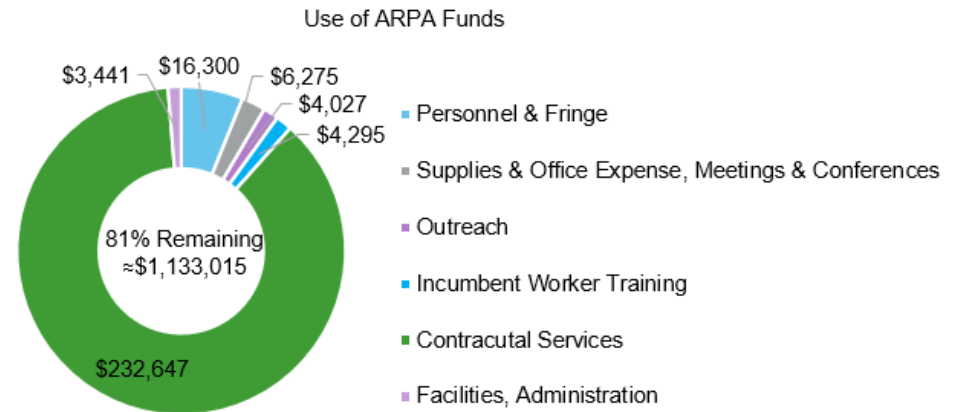
**Overview of How Funds Were Used:** SkillSource’s Elevate Program focused on assisting furloughed, unemployed, and underemployed residents of Prince William County with training, employment, and other supportive services, as well as helping employers to retain and hire qualified workers, in the wake 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.







## EXHIBIT A: CY 2022 DETAILED RESULTS (CONTINUED)

### THE HUMAN SERVICES ALLIANCE OF GREATER PRINCE WILLIAM (“THE ALLIANCE”)

**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>9</sup>

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

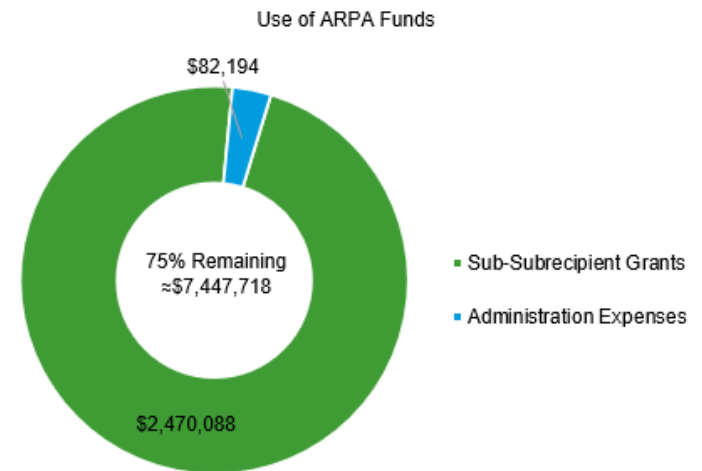
**ARPA SLFRF Certification Specified Use of Funds:** Grants for ARPA Wellbeing Programs and the administration of such programs.

**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.



<sup>9</sup> The total amount expended through December 31, 2022, excludes the \$58,757 noted under the ‘Observations’ section for this subrecipient.

## EXHIBIT A: CY 2022 DETAILED RESULTS (CONTINUED)

### Grant Application & Allocation Process – Continued

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 subaward grant application period closed. Reviewers with a conflict of interest were not assigned to review the conflicting organization's proposal. 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.





## EXHIBIT A: CY 2022 DETAILED RESULTS (CONTINUED)

### Observations – Continued

**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.



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