



City of San Antonio

Agenda Memorandum

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Agenda Item Number: 6

Agenda Date: April 30, 2024

In Control: Audit Committee

DEPARTMENT: Office of the City Auditor

DEPARTMENT HEAD: Kevin Barthold

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Acceptance of the Office of the City Auditor Report AU24-008 Audit of EDD COVID/Construction Recovery Grants Program.

SUMMARY:

Determine if the COVID-19/Construction Recovery Grants program was administered in compliance with Council direction and adopted policies and procedures.

BACKGROUND INFORMATION:

Background

The Economic Development Department (EDD) COVID-19/Construction Recovery Grants (CRG) Program offered targeted relief to small businesses impacted by both COVID-19 and prolonged construction-related loss of revenues tied to specific City-initiated projects. Funding for this grant program was part of the American Rescue Plan Act. Qualifying businesses could have

received grant funding from \$10,000 to \$35,000 to help offset demonstrated losses in 2022 compared to 2021.

The budget for this grant program was nearly \$3.75M which included the administrative fees to the contractor, LiftFund, a non-profit Community Development Financial Institution to undertake and complete the project. EDD awarded a total of \$2.45M of grant funds to 91 small businesses in FY 2023. Per the contract, LiftFund created a public website that included the program information and resources needed to assess criteria for eligibility as well as the required documentation for applying. EDD is responsible for monitoring LiftFund for compliance of key contractual terms.

Scope and Methodology

The audit scope included the contract monitoring and application process for the CRG Program which was from January through June 2023. We reviewed for proper contract management and monitoring. Additionally, we confirmed program awareness notifications had been sent to small businesses. We also reviewed Lift Fund's application review and approval process and tested a sample to determine if applicants were eligible. Lastly, we confirmed that LiftFund provided status updates to EDD regarding the program's progress.

Conclusions

The CRG Program was administered in compliance with Council direction and adopted policies and procedures. EDD established monitoring procedures for the program's key contract terms. In addition, the contractor, LiftFund, established an effective application review process to review and issue funds in accordance with the established criteria. LiftFund also had an effective process to notify applicants of approval and receipt of funds. EDD and LiftFund had adequate procedures to verify small businesses in the approved areas were notified about the CRG Program and received the necessary program information and assistance. Finally, EDD had regular communications with LiftFund to discuss program progress.

We make no recommendations to the Economic Development Department.

ISSUE:

This item is presented for acceptance by the Audit Committee.

FISCAL IMPACT:

NA

ALTERNATIVES:

NA

RECOMMENDATION:

Staff recommends acceptance of this audit report.