

2310.4 SUBJECT: AUDIT REQUIREMENTS FOR CITY GRANTS TO CHARITABLE AND COMMUNITY-SPONSORED ORGANIZATIONS

:1 OBJECTIVE:

This policy establishes an audit requirement for organizations receiving funding from the City of Orlando in the manner of a grant. This procedure will help ensure that entities receiving City funds are being prudent and reasonable in the manner in which the funds are expended, and requires receipt of audited financial statements from certain entities receiving funding from the City.

:2 AUTHORITY:

This policy is amended by the City Council April 11, 2011.

:3 DIRECTION:

The Chief Financial Officer, as an appointed official, serves at the pleasure of and receives direction from the Mayor.

:4 FUNCTIONS:

A. Introduction

City government, as an institution, has multiple partners including citizens, taxpayers, businesses, visitors, employees, and other governments. As a major institutional, economic, and service force in the region, it is important that the City strengthen relationships with its partners by adopting a clear and comprehensive set of policies and procedures.

Furthermore the integrity of the City of Orlando is of utmost importance, and adopting a set of policies is a key element to maintain this integrity. The purpose of this policy is to provide financial reporting requirements for Charitable and Community-Sponsored Organizations that receive City funds in the form of a grant. Those controls will provide reasonable assurance that grant funds are spent in a prudent manner and that an appropriate review will be undertaken to ensure City funds are not put at risk.

B. Definitions:

Audited Financial Statements – A complete set of financial reports upon which an independent certified accountant has provided an opinion that the financial statements present fairly the financial position of the organization.

Charitable and Community Sponsored Organization – Any non-profit organization that has been granted tax-exempt status by the Internal Revenue Service and is capable of providing a service for which the granting of City funds is appropriate.

Unaudited Financial Statements – At a minimum, a balance sheet and income statement that presents the financial position of an organization. Additionally, Unaudited Financial Statements must be accompanied by a notarized statement from the president and treasurer certifying they are familiar with the operation of the organization and that the statements provided accurately present the activities and financial condition of their organization.

C. Requirement for Audited Financial Statements

1. Audited Financial Statements shall be required from Charitable and Community Sponsored Organizations under the following circumstances:
 - a. Organizations requesting a grant from the City in an amount greater than \$20,000 must submit Audited Financial Statements for their most recently completed fiscal year.
 - b. Organizations that receive a grant from the City greater than \$20,000 in a fiscal year must submit Audited Financial Statements to the City covering the period(s) in which the grant funds were used.
 - c. A department overseeing the granting of City funds, in consultation with the Chief Financial Officer, may require an organization receiving \$20,000 or less in a fiscal year to submit Audited Financial Statements for the period in which the organization received funding from the City.
2. City grant funds may not be used to pay for the audit of a charitable or community sponsored organization unless it is specifically included as an acceptable use of funds in the grant agreement or is otherwise approved by City regulation.
3. The Chief Financial Officer shall review this policy on an annual basis to determine the appropriate dollar threshold for requiring Audited Financial Statements and shall submit revisions to this policy when appropriate.

D. Requirement for Unaudited Financial Statements

Unaudited Financial Statements shall be required from Charitable and Community Sponsored Organizations that are not covered by the provisions of Section 4C of this policy. Unaudited Financial Statements must include a certified statement under oath by the president and treasurer of the organization stating they are familiar with the operation of the organization and that the financial statements accurately present the activities and financial condition of that organization.

E. Exceptions

Upon request of the department responsible for overseeing the granting of City funds, the Chief Financial Officer may grant an exception to this policy for good cause.

The City Council may also grant exceptions to this policy.

F. Responsibilities

1. Departments

Departments that oversee grants to charitable and community sponsored organization are responsible for ensuring adherence to this policy, including withholding funds if financial statements are not provided in a timely manner. Granting departments shall also consider the recommendation of the Chief Financial Officer when making the determination to provide a grant to an organization.

2. Chief Financial Officer

The Chief Financial Officer shall designate an appropriate person in the Finance Department to receive and evaluate financial statements from Charitable and Community Sponsored Organizations. The Chief Financial Officer or his/her designee shall ensure that organizations receiving grants possess an adequate ability to account for City funds and that there is nothing present in the financial statements they provide that would indicate City funds would be put at risk by providing a grant to that organization. The Chief Financial Officer or his/her designee will notify the granting department if there is anything in an organization's financial statement that causes concern or may put City funds at risk.

:5 FORMS:

Certification of Unaudited Financial Statements

:6 COMMITTEE RESPONSIBILITIES:

None.

:7 REFERENCE:

(Replaces City of Orlando ordinance of 11-5-1973, S 1; Ordinance of 7-14-1980, S 1; Ordinance of 2-7-1983, Doc#17524) approved by City Council 10-29-07, Item A-3; amended April 11, 2011.

:8 EFFECTIVE DATE: April 11, 2011

Certification of Unaudited Financial Statements

Organization Name _____

Reporting Period Ending _____

In accordance with City Policy and Procedure 2310.4, the undersigned do hereby certify that they are personally knowledgeable of the activities of the organization listed above, and to the best of their knowledge the financial statements attached accurately present the activities and financial position of that organization.

President:

Treasurer:

Signature

Signature

Printed Name

Printed Name

Date

Date

Sworn to and subscribed before me this
____ day of _____, 20__, by
_____, personally
known to me or has produced
_____ as identification.

Sworn to and subscribed before me this
____ day of _____, 20__, by
_____, personally
known to me or has produced
_____ as identification.

Signature of Notary

Signature of Notary

Commission Expires:

Commission Expires