From:	Steve Austin
To:	Ruud, Andy (SAO)
Cc:	Jones, Travis (SAO); Brillantes, Heide (SAO)
Subject:	RE: SAO: AFG Cash Flow and Local Match Questions
Date:	Monday, November 15, 2021 9:24:57 AM
Attachments:	image001.png FEMA Receipt Account Activity.pdf View Check 71952.pdf

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External Email

Hello Andy –
Sorry it took so long to respond. I had a best friend pass away unexpectedly from COVID complications on Thursday, so I was not able to focus much on Friday to respond. Please see my responses below: (in red)
Let me know if you still need to have a Teams meeting, or if I can provide further info.
Thanks,
Steve

From: Ruud, Andy (SAO) <andy.ruud@sao.wa.gov>
Sent: Wednesday, November 10, 2021 1:10 PM
To: Steve Austin <saustin@clarkston-wa.com>
Cc: Jones, Travis (SAO) <jonest@sao.wa.gov>; Brillantes, Heide (SAO) <brillantesh@sao.wa.gov>
Subject: SAO: AFG Cash Flow and Local Match Questions
Hi Steve,
I have a few more questions to follow-up on our conversation yesterday.
Cash Flow
I took another look at the invoices and checks that were sent as support for each expenditure. Attached is a summary of each invoice, the invoice date, vendor due date, check date, and date of payment request to FEMA.
From my understanding gained from our conversation yesterday, after invoices are received from vendors, the Fire Department sends the invoice to the Finance Department for processing. You will take processed invoices to the next City Council meeting for approval. After invoices are approved, the Finance Department will cut and send checks to vendors. Then, payment is requested from FEMA and the City is reimbursed for expenses that were already paid.
However, for the yellow highlighted items in the attached document, I noted that several invoices were due before they were actually paid. In this case, did the city wait until they were reimbursed before paying the vendors? Regarding the yellow highlighted items, these invoices were not paid until after the funding was received. The Finance Department was not provided the coded invoices from the Fire Department until after they confirmed the funding was received. It is my understanding that LN Curtis was apprised of this by the Fire Department and chose not to update the invoice dates, but allowed late payment on these invoices. (See attached receipting report)
Additionally, I noted that for several expenses, a check was paid prior to the date of the invoice. I highlighted each of these items in green. Regarding the two green highlighted invoices dated 1/6/21 and 1/7/21. These should have been invoiced in December of 2020. As we were closing out the budget for 2020, it was found that invoices had not been received from LN Curtis for items covered

by the grant. The Fire Department contacted the vendor and let them know that the invoices needed to be sent to close out the funding for 2020. I am not sure why they invoiced them in January, when they should have been invoiced in December. The check (71952) dated 12/31/20 was part of the December Open Period. We had the amounts for the invoices that needed paid on the 2020 budget, but the check was not sent to LN Curtis until after the invoices were received. (See attached cleared check).

Local Match Requirements

I also would like to learn a bit more about the process the City follows to ensure that the local match requirement of 5% for each grant award is met. I gained an understanding from the Fire Department but I will also need to know what occurs within the City's Finance Department.

Feel free to document the process in an email or let me know your availability for Friday of this week and I will send a TEAMS meeting invitation. For matching amounts, the Department will inform me during the budget process that obligated funds will be needed. They will usually provide a request to include the funds and let me know what BARS line to have the funds available in. Those funds are approved by Council as part of the budget process.

Please let me know if you have any questions.

Thank you,

Andy Ruud
Assistant State Auditor
Office of the Washington State Auditor
www.sao.wa.gov