



# MEMORANDUM

Date: July 9, 2026

To: The Honorable Chair and Members  
Pima County Board of Supervisors

From: Jan Leshner *JL*  
County Administrator

Re: **Monthly Financial Update – Finance Grants Overview**

Pima County administers a large and diverse grant portfolio consisting of approximately 330 active grants, including 250 federally funded awards and 80 state, local, and other grant programs, representing more than \$525 million in total grant funding. Of this amount, approximately \$490 million is supported through federal sources. The County historically expends an average of approximately \$138 million in federal grant funds annually, highlighting the critical importance of strong financial oversight, regulatory compliance, and responsible stewardship of public resources.

The Finance and Risk Management Department and Grants Management and Innovation Department perform companion roles related to grants. Grants Management & Innovation provides comprehensive pre-award and post-award grant administration, supporting the full grant lifecycle—from funding opportunity identification and proposal development through award administration, allowability compliance, subrecipient monitoring, and grant closeout support. The Finance Grants Division, within the Finance and Risk Management Department, provides comprehensive financial monitoring and fiscal support to ensure grant-funded programs are managed effectively and in accordance with applicable federal, state, and local requirements. The Division supports departments throughout the grant lifecycle by providing financial guidance, expenditure monitoring, compliance oversight, reporting support, and fiscal analysis to promote responsible stewardship of public resources and strengthen accountability across the County's grant portfolio.

In March 2025, responsibility for the Finance Grants Division transitioned from Grants Management and Innovation (GMI) to the Finance and Risk Management Department, providing an opportunity to strengthen the County's grant financial management framework, enhance internal controls, and advance operational effectiveness. Following the transition, the Division embarked on a comprehensive initiative focused on building organizational capacity, stabilizing the workforce, standardizing financial processes, and enhancing financial reporting and compliance practices.

Recognizing the importance of protecting public resources and maintaining compliance with evolving federal grant requirements, Finance and Risk Management has prioritized investments in people, processes, and technology. These efforts include enhancing staffing levels, improving internal controls, expanding technical expertise, implementing standardized

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procedures, and modernizing the County's grant financial management systems to support greater transparency, efficiency, and long-term sustainability.

### **Staffing Improvements**

A key priority of the Finance Department is growing the Division's organizational capacity by enhancing staffing levels, building institutional and technical knowledge, and creating a sustainable foundation for long-term success.

At present, the Division is operating with 27 authorized positions, including 24 inherited positions. During the initial transition period, vacancies peaked at nearly 38 percent. Through focused recruitment efforts, employee development initiatives, and division restructuring, significant progress has been made in enhancing the Division's workforce. As of June 2026, vacancies have been reduced to approximately four percent, with 23 of the 24 inherited positions filled. Additionally, three new positions were added as part of the Fiscal Year 2027 budget to further enhance operational capacity and support the Division's continued growth and commitment to effective grant financial management.

### **Training and Technical Knowledge**

Recognizing that successful grant financial management depends on technical accounting expertise, Finance and Risk Management has focused recruitment and hiring efforts to emphasize governmental accounting knowledge and grant compliance experience.

The Division implemented technical accounting assessments to evaluate grant accounting competency, designed interview questions using scenario-based evaluations, and incorporated subject matter experts into interview panels to improve candidate selection. These improvements have strengthened workforce quality while ensuring that new employees possess the baseline technical skills necessary to manage increasingly complex federal grant requirements.

To better support employees and improve accountability, the Division also expanded its leadership structure from one Division Manager and two supervisors to one Division Manager and four supervisors. This additional supervisory capacity has improved coaching, oversight, workload management, and employee development while allowing the Division to establish specialized teams aligned with the County's grant portfolio, including dedicated support for high-volume departments such as the Health Department, Community and Workforce Development, and Capital Improvement Projects.

### **Establishing Policies, Procedures and Internal Controls**

A primary focus of the Division has been reducing operational risk through standardized financial management practices.

During the past year, Finance Grants has significantly strengthened its operational framework by developing a new comprehensive Administrative Procedure, creating multiple new internal operating procedures to improve consistency across day-to-day activities, and has created a suite of job aids and training resources to enhance staff knowledge, support employee development, and promote long-term sustainability.

These documents establish standardized terminology, define financial management responsibilities, document Schedule of Expenditures of Federal Awards (SEFA) preparation procedures, and provide consistent guidance for recurring grant accounting activities. Standardized procedures reduce reliance on institutional knowledge, improve consistency, strengthen internal controls, and support continuity as new employees join the organization.

The Division has also invested heavily in employee development by delivering more than ten division-wide technical training sessions beyond County-required training. Topics have included governmental accounting fundamentals, SEFA preparation, fiscal year-end close, monthly grant reconciliations, standardized grant financial processes, and ongoing coaching designed to reinforce best practices and improve technical competency throughout the organization.

### **Modernization of Technical Resources and Processes**

Finance and Risk Management is serving as the project manager for the implementation of the Workday Grants Module, representing one of the Division's most significant long-term investments.

Original implementation of the Workday financial system did not include the Grants Module, resulting in reliance on customized configurations and manual processes to support grant financial management needs. While these solutions have enabled the County to effectively manage its grant portfolio, they have also highlighted opportunities to enhance automation, strengthen reporting capabilities, improve data visibility, and further streamline grant financial operations through implementation of the Workday Grants Module.

Implementation of the Workday Grants Module will modernize grant financial management by improving budget monitoring and expenditure tracking, strengthening financial reporting and analytics, reducing manual processes and duplicate data entry, and enhancing internal controls through standardized approvals and audit trails.

### **Looking Forward**

The Finance Grants Division has substantially improved staffing, training and technical expertise, standardizing operations through policies and procedures, and reducing operational risk. While this work remains ongoing, the Division is well positioned to be a modern, high-performing grants finance organization that supports County departments, strengthens

The Honorable Chair and Members, Pima County Board of Supervisors  
Re: **Monthly Financial Update – Finance Grants Overview**  
July 9, 2026  
Page 4

stewardship of public funds, and enhances compliance with increasingly complex Federal and State grant requirements.

Finance and Risk Management remains committed to continuous improvement through investment in people, processes, and technology while ensuring that Pima County maintains the highest standards of fiscal accountability and responsible grant administration.

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c: Carmine DeBonis, Jr., Deputy County Administrator  
Steve Holmes, Deputy County Administrator  
Chad Kasmar, Deputy County Administrator  
Art Cuaron, Director, Finance and Risk Management  
Jeff Whiting, Deputy Director, Finance and Risk Management  
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