



BOARD OF SUPERVISORS AGENDA ITEM REPORT (BOSAIR)

All fields are required. Enter N/A if not applicable. For number fields, enter 0 if not applicable.

Award Type:	Agenda Item
Is a Board Meeting Date Requested?	Yes
Requested Board Meeting Date:	03/24/2026
Project Title / Description:	Use of General Fund Reserve

Agenda Item Report

Introduction / Background: Pima County was awarded an Emergency Food and Shelter Program (EFSP) HR22 grant in 2022 by United Way Worldwide (UWW), the pass-through funding agency for FEMA Humanitarian Aid funds. Pima County was advanced \$23,255,155.08 in EFSP HR22 funds to serve legally processed asylum seekers released into Pima County by the Department of Homeland Security. Pima County submitted receipts and supporting documentation for costs incurred under this program and has been notified by UWW that \$874,974.34 in submitted expenses were unallowable or ineligible under EFSP HR22. UWW has requested reimbursement of these funds.

Discussion: Based on a review of UWW’s findings and EFSP HR22 guidance documents, Finance & Risk Management, Grants Management & Innovation (GMI), and Pima County Attorney’s Office (PCAO) have concluded that Pima County is responsible for returning \$874,974.34 to UWW. Pima County’s determination is based on the following:

- \$340,648.05 in expenditures were determined to be ineligible because they were incurred outside of the approved period of performance.
- \$328,774.12 was deemed unallowable due to the subrecipient, Catholic Community Services of Southern Arizona (CCSSA), not adhering to required procurement methods under the award.
- \$125,104.80 is interest earned on the award funds and, pursuant to the terms of the agreement, is contractually required to be returned to the funder.
- \$59,879.53 was deemed unallowable as a result of an amendment to the HR22 guidance, which disallowed “standby” time and effort costs. The County failed to recognize this amendment.
- \$20,567.84 is comprised of errors such as exceeding rate or purchase caps and duplicate billings, as well as a market rent study and appraisal that were deemed to be ineligible under program guidelines.

Pursuant to Pima County Board of Supervisors Policy D22.15, formal Board authorization is required for any use of General Fund Contingency funding exceeding \$500,000. Therefore, Board approval is necessary for Pima County to issue payment in the amount of \$874,974.34.

It should be noted that the \$340,648.05 noted above is eligible for reimbursement under a separate grant and Pima County has submitted this amount for reimbursement from the funder and is currently awaiting a final decision. If approved, the County will be reimbursed the \$340,648.05 leaving a net outlay of \$534,326.29.

Conclusion:

After consulting with PCAO and GMI, it is jointly concluded that Pima County is responsible for returning the total amount of \$874,974.34 to UWW.

It should be noted that the \$340,648.05 noted above is eligible for reimbursement under a separate grant and Pima County has submitted this amount for reimbursement from the funder and is currently awaiting a final decision. If approved, the County will be reimbursed the \$340,648.05 leaving a net outlay of \$534,326.29.

Recommendation:

It is recommended that the Board of Supervisors authorize the use of General Fund reserve budget authority and cash to issue payment of this obligation and for the Finance and Risk Management Department to complete any associated accounting entries, including operating transfers, to close out the activity on the grant.

Fiscal Impact:

General Fund reserve cash and budget authority will be reduced by \$874,974.34.

It should be noted that the \$340,648.05 noted above is eligible for reimbursement under a separate grant and Pima County has submitted this amount for reimbursement from the funder and is currently awaiting a final decision. If approved, the County will be reimbursed the \$340,648.05 leaving a net outlay of \$534,326.29.

Support of Prosperity Initiative:

N/A

Provide information that explains how this activity supports the selected Prosperity Initiative

N/A

Board of Supervisor District:

- 1
- 2
- 3
- 4
- 5

Department:

Finance and Risk Management

Name:

Art Cuaron

Telephone:

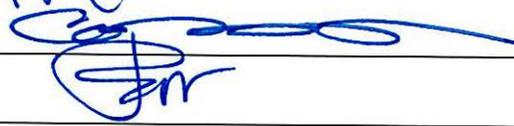
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Department Director Signature: _____



Date: 3-6-2026

Deputy County Administrator Signature: _____



Date: 3/6/2024

County Administrator Signature: _____



Date: 3/7/2024