



TRI-COUNTY COUNCIL FOR SOUTHERN MARYLAND

P.O. BOX 745 HUGHESVILLE, MARYLAND 20637

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## AUDIT PRE-APPROVAL Q&A

Q: Will TCCSMD be preparing the SEFA, the schedule of federal awards?

A: Yes, The Finance Director typically prepares that for auditor's review. This is not something we are asking the auditors to do.

Q: What are your expectations for field work? Do you want us on site for a couple of days? Are you expecting a fully remote audit?

A: We are open to a combination of virtual and on-site. We do prefer a little bit of in-person, especially with a new firm. We would like to get to know you, to talk to you about our programs here, but as long as you are equipped with a secure portal, we're open to a combination.

Q: Under the special considerations being explored to enable the organization to adopt potential farm loan programs, is that process currently underway, and could you explain what it looks like?

A: We are currently exploring the possibility of establishing a revolving loan program similar to that of Maryland Agricultural and Resource-Based Industry Development Corporation (MARBIDCO). At present, the Southern Maryland Agricultural Development Commission (SMADC) operates grant programs that provide direct funding; however, we are considering whether a loan-based model could better meet ongoing needs in the Southern Maryland region.

While there appears to be both available funding and demand to support such a program, it is important to note that SMADC does not currently have the authority to implement a revolving loan program. Doing so would require legislative changes to the structure of the Tri-County Council for Southern Maryland. As a result, even if approved, implementation would not occur until next January at the earliest.

Currently, SMADC is level-funded through the Maryland Department of Agriculture at \$1,000,000 annually. Of that, we are considering allocating approximately \$100,000 to \$200,000 as an initial set-aside to establish the loan fund.



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At this stage, this is strictly exploratory. We are particularly interested in understanding how such a program might impact our financial audits and compliance requirements. As such, we are seeking guidance and feedback from firms regarding potential implications, risks, and best practices for implementation.

Q: With the micro-lending plan would that be self-funded from your monies or would it be federally associated funds or some hybrid of both?

A: It would be self-funded

Q: What is your current accounting system? Are there any plans to change? Is that the kind of operating system you need, or are you following a state requirement?

A: Our operating system is Abila, MIP Fund Accounting through Momentive Software. No, we do not have any plans to change that in the near future. We just went to cloud-based, which has been great.

Q: What is your timeline perspective for being closed and ready for audit versus starting field work and into reporting?

A: Our goal is to be closed out by September, giving ourselves one full quarter after the year end and our year end is June 30<sup>th</sup>. We typically try to plan for field work in October and then prior to the Christmas holiday or break we have a draft for review. When we come back, we are finalizing everything and getting ready to present to the board in January.

Q: For planning time frame, are you okay if somebody comes in June to do planning work? Do you prefer to do it in August per the RFP?

A: I would be open to planning work being done prior to the timeline in the RFP, especially the first year.



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Q: What is your typical timeline for month-end close?

A: My goal is 2 weeks, but typically a month.

Q: Do you think month end taking longer is due to a lack of staff or just other conflicting priorities or information slow, the system slow?

A: All the above, we are small but mighty here. There are 5 of us here in finance, but in those five we also have an in-house IT and HR. We are not all true accountants on staff. I have an AP manager and grants manager and others like that. Our priorities can change quickly when requests are made.

Q: What do you see as your biggest challenges in the next year or so?

A: Budget constraints and cuts, primarily Workforce.

Q: Do you know how much ARPA funding will be going away after this year?

A: Roughly 1.5 million of our ARPA funds.