



**Budget, Governance, and Intergovernmental Relations Council
Committee Meeting Summary**

**Monday, September 2, 2025
CH-14 at 2:00 pm**

COMMITTEE AGENDA TOPIC

Agenda Overview

Financial Partner Policy: Financial Audit Requirements

COMMITTEE INFORMATION

Committee Members Present: Dimple Ajmera, Lawana Mayfield, Tiawana Brown and James Mitchell were present, Edwin Peacock was absent.

Staff Resources: Shawn Heath, City Manager's Office
Marie Harris, Strategy and Budget
Cherie Smith, Strategy and Budget

DISCUSSION HIGHLIGHTS

Chair Dimple Ajmera called the meeting to order and asked attendees to introduce themselves.

Marie Harris provided a summary of how staff arrived at proposing updated audit requirements for the Financial Partner Program. Cherie Smith presented updated policy recommendations based upon feedback from the committee members. While the intent of the current policy is to ensure fiscal responsibility and accountability in the use of public funds, full audits can be prohibitively expensive for organizations with limited resources. Ms. Smith highlighted that many smaller nonprofits, especially those still in the process of securing their 501(c) status, may not have the financial capacity to meet the requirements. Additionally, the limited number of certified public accountants (CPAs) available in Charlotte further drives up audit costs, making it potentially more burdensome. As a result, some organizations may choose not to apply for funding at all, reducing access and equity within the program.

To address these concerns while still promoting responsible financial practices, a revised policy was proposed that introduced a tiered approach to financial reporting based on an organizations size, as measured by gross receipts. Under the new policy, organizations with gross receipts over \$500,000 would still be required to submit a full financial audit conducted by a CPA. Organizations with gross receipts between \$100,000 and \$500,000 would provide an independent financial review completed by either a CPA or another qualified accounting professional, a process that is less intensive and more cost-effective. For organizations with gross receipts under \$100,000, the requirement would be limited to submitting two years of comparative financial statements, including a profit and loss statement, balance sheet, and cash flow statement. Although none of the current financial partners fall under this lowest tier, it was included in anticipation of newer, smaller organizations that may join the program in the future. This approach aims to maintain financial reporting requirements while reducing unnecessary

financial burdens and ensuring the program remains accessible to nonprofits of all sizes.

Committee members agreed that an update to the audit requirements within the Financial Partner Policy was appropriate given the information provided by staff. Councilmember Mayfield made a motion to move the recommended policy language to full council. Councilmember Mitchell provided a second, and all committee members in attendance voted in favor of the motion.

Meeting adjourned at 2:21 p.m.