

**PASSION AND COMPASSION, INC.**

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**GRANT AUDIT**  
**JUNE 2025**

**OFFICE OF AUDITS AND INVESTIGATIONS**  
Prince George's County  
Largo, Maryland

## TABLE OF CONTENTS

	<u>PAGE</u>
Letter of Transmittal	
Executive Summary .....	2
Grant Audit Report .....	3
Audit Recommendations .....	8
Statement of Activities .....	9
<b>Attachment 1: Memorandum to Grantee .....</b>	



# THE PRINCE GEORGE'S COUNTY GOVERNMENT

## Office of Audits and Investigations

June 2025

The County Council and County Executive  
of Prince George's County, Maryland

Council Resolution 51-1991, adopted June 25, 1991, requires the Office of Audits and Investigations (A&I) to perform random financial audits of grants and transfer payments appropriated in the Non-Departmental section of the County's Approved Annual Current Expense Budget.

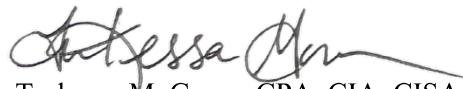
We have examined the books and records of

### **Passion and Compassion, Inc.,**

for the period July 1, 2022, through June 30, 2024. Our examination included such tests of the accounting records and such other auditing procedures, as we considered necessary under the circumstances.

We noted no matters involving the Prince George's County grants to Passion and Compassion, Inc., that led us to believe that the County grant funds were used for purposes other than their intended purpose.

This report, in our opinion, fulfills the requirements of Council Resolution 51-1991 to perform random financial audits of grants and transfer payments made pursuant to the Non-Departmental section of the Prince George's County, Maryland, Fiscal Years 2023 and 2024 Approved Operating Budgets.



Turkessa M. Green, CPA, CIA, CISA  
County Auditor



Larry Whitehurst Jr., CPA, MBA, CIA  
Audit Manager

### **Executive Summary**

Passion and Compassion, Inc. received a total of \$137,500 of grant funds from the Prince George's County Government (the County) between July 1, 2022, through June 30, 2024. During our audit, we noted several observations involving the grant funding provided to Passion and Compassion, Inc.. A summary of the observations noted is provided below, and further details can be found in the following report.

- **Inadequate Expenditure Documentation** - The organization did not provide supporting documentation (i.e., invoices/receipts) for three (3) out of nine (9) transactions selected for testing. The unsupported expenditures totaled \$1,071.
- **Inadequate Contractor Documentation** - The organization did not issue a 1099-NEC to one (1) contractor and did not provide A&I with a copy of the Form W-9, which should have been issued to the individual prior to utilizing his services.
- **Lack of Food Receipt/Distribution Documentation** - The organization does not have written contracts with its food donors that outline the terms and conditions of its agreements. We also noted that the organization does not maintain documentation to support the number of residents served during its food distribution events.

Overall Audit Rating	Total County Grant Funding
<span style="background-color: green; color: white; padding: 2px;"> </span>	\$137,500

<span style="color: green;">●</span> No Significant Findings Noted – Opportunities for Improvement Identified
<span style="color: yellow;">●</span> Some Deficiencies Noted – Eligible for Funding
<span style="color: red;">●</span> Significant Deficiencies Noted – Ineligible for Funding

### **Passion and Compassion, Inc.**

Passion and Compassion, Inc. is a 501(c)(3) nonprofit organization incorporated in the State of Maryland in 2020. Its mission is to develop a robust and reliable distribution network that provides nutritious food to anyone who is hungry in Prince George's County and neighboring communities. Passion and Compassion (P&C) started in 1996 as the outreach ministry program of Christian Life Center church, focusing on distributing food and clothing to families out of the church's basement. Over the next 25 years, the program steadily outgrew the church's basement and developed into a robust community distribution project. The project is currently a grassroots volunteer-driven organization that aims to end hunger in Prince George's County and beyond by providing fresh produce, protein-rich meals, monthly luncheons, and a host of other holiday-themed events to people experiencing hunger in the community. The organization's operations are being conducted at the Christian Life Center church building which is located at 5600 Taylor Road, Riverdale, Maryland.

P&C is able to provide nutritious food for free to the community with the help of its network of food donors, which includes nine different food businesses, grocery stores, and food suppliers. The organization reports that some of its food donors include the following partners: Lancaster Farms, Coastal Sunbelt Produce, Whole Foods Market, and the University of Maryland, College Park dining services. These food donors provide surplus food, which would otherwise be discarded, to the organization for its food distribution events. P&C is responsible for orchestrating the pick-up, packaging, and distribution of the donated food. The organization's target population consists of low-income families, immigrant families, children/youth, and senior citizens. P&C provides accessible food to the community through the following services:

- Weekly produce distributions throughout Prince George's County;
- Accessible food pantry for low-income families;
- Community Food Hub for cold and dry food storage.

The organization reports to be the county's number one produce recovery and distribution program, with an estimated 2.9 million pounds of produce and 3 million meals distributed throughout the County in 2024.

Passion and Compassion, Inc. is governed by a Board of Directors that consist of six (6) members inclusive of the Executive Director, who serves a non-voting board member. The Board manages the affairs of the organization and has all the powers and duties necessary or appropriate for the administration of the affairs of the organization. Per the organization's Bylaws, the Board holds regular meetings at least once per quarter.

The Prince George's County Council appropriates funds to support nonprofit organizations throughout the County in the form of grants. The Non-Departmental budget included funds to fulfill grant requests received from County nonprofit organizations. Non-Departmental grant funds are to be used to support citizen/community-based programs and services that help address the human, social, education, recreation and other service needs of the County's citizens and communities. The Special Appropriation Grants are dispersed by Council Members to help

support nonprofit organizations providing programs and services to Prince George's County citizens and communities. County Council grants are awarded through a formal application process.

The Prince George's County Government, by the way of the Prince George's County Council, awarded Passion and Compassion, Inc. five (5) grants totaling \$137,500 in fiscal years 2023 and 2024. A summary of the grants awarded is shown in **Exhibit 1** below:

<b><u>Disbursement Date</u></b>	<b><u>Grant Type</u></b>	<b><u>Grant Award Amount</u></b>	<b><u>Grant Purpose</u></b>
6/30/2023	FY 2023 Non-Departmental	\$60,000	Supporting funding 3 positions (Executive Director, Operations Manager, Grant Writer) along with supporting equipment maintenance and fuel costs.
8/18/2023	FY 2023 Non-Departmental	\$10,000	Supporting funding 3 positions (Executive Director, Operations Manager, Grant Writer) along with supporting equipment maintenance and fuel costs.
5/9/2024	FY 2024 Non-Departmental	\$60,000	Supporting funding 3 positions (Executive Director, Operations Manager, Grant Writer) along with supporting equipment maintenance and fuel costs.
6/30/2024	FY 2024 Special Appropriation-D2	\$2,500	Supporting funding 3 positions (Executive Director, Operations Manager, Grant Writer) along with supporting equipment maintenance and fuel costs.
6/30/2024	FY 2024 Special Appropriation-D3	\$5,000	General operations which includes paying staff, vehicle maintenance, fuel, and distribution supplies to assist in food distribution.
<b>Total Amount Awarded</b>		<b><u>\$137,500</u></b>	

*(Exhibit 1)*

As noted in **Exhibit 1**, all of the organization's funding was to be used to support the organization's food distribution network which provides fresh food or groceries to those in need. The funding was allocated to support Passion and Compassion's food distribution network in two ways:

1. Salary for the Executive Director, Operations Manager, and Grant Writer; and
2. Funding for equipment maintenance and fuel related costs for the transportation of food items.

Passion and Compassion, Inc. also receives funding from grants from other organizations, donations, and other sources. The County grants accounted for 25% of the organization's revenue in CY 2023 and 41% in CY 2024. (See **Schedule 1**)

## **OBJECTIVE, SCOPE AND METHODOLOGY**

The objectives of our audit were to: (a) assess the adequacy of the system of internal and management controls over grant funds received and expended; (b) assess whether grant-related transactions occurred in a manner consistent with Passion and Compassion, Inc.'s grant request applications and other generally accepted business practices; and (c) identify factors inhibiting satisfactory performance in these areas and make recommendations to protect the County's interest concerning the grant funds.

The scope included all transactions related to the receipt and disbursement of the total grant funds received from July 1, 2022, through June 30, 2024 (a total of \$137,500).

The criteria used to evaluate the audit evidence gathered included:

- The grant applications submitted by Passion and Compassion, Inc.;
- The United States General Accountability Office Standards for Internal Control publication ([GAO-14-704G](#));
- [Maryland Nonprofit's Standards for Excellence: An Ethics and Accountability Code for the Nonprofit Sector](#); and
- Internal Revenue Code (IRC)/Internal Revenue Service (IRS) guidelines.

The audit included interviews with key personnel of Passion and Compassion, Inc. and detailed tests including:

- An examination of the organization's monthly bank statements;
- A review of the organization's Federal Form 990 returns for 2021, 2022 and 2023;
- A review of available cash receipts and disbursements documentation; and
- A review of available minutes for meetings held by the Board of Directors.

Passion and Compassion, Inc. operates and reports on a calendar year, however our examination was conducted on a fiscal year basis. For report purposes, the attached Statement of Activities, prepared by A&I, is presented on a calendar year consistent with Passion and Compassion, Inc.'s operations. The attached Statement of Activities (**Schedule 1**) shows the financial activities of the organization for calendar years 2022, 2023, and 2024.

We examined the books and records maintained by Passion and Compassion, Inc. and performed tests of the accounting records and other auditing procedures, as deemed necessary. The examination included a review of expenditures and supporting documentation to ensure that payment amounts were properly approved and corresponded to related invoices. **We noted no instances that led us to believe that County grant funds were used for purposes other than their intended purpose.** However, A&I noted some areas for improvement.

## **FINDINGS, COMMENTS AND RECOMMENDATIONS**

### **INTERNAL CONTROLS AND THE CONTROL ENVIRONMENT**

An organization's control environment should establish the overall tone, awareness, and actions of the board of directors, management, and staff, concerning the importance of internal controls and its role in the organization. In an organization with a good internal control environment, responsibilities are clearly defined, and authority is assigned to specific individuals to permit identification of whether persons are acting within the scope of their authority.

Auditing standards define internal controls as a process designed to provide reasonable assurance that entity objectives will be achieved, including the objectives of reliable financial reporting, compliance with applicable laws, and the effectiveness and efficiency of the organization's service delivery processes. The primary function of internal controls is to provide assurance that errors and irregularities may be discovered with reasonable promptness.

According to the *Standards for Excellence: An Ethics and Accountability Code for the Nonprofit Sector* ("Standards for Excellence"), nonprofits should have sound financial and operational systems in place and should ensure that accurate records are kept. The organization's financial and non-financial resources must be used in furtherance of tax-exempt purposes. Organizations should conduct periodic reviews to address accuracy and transparency of financial and operational reports, and safeguards to protect the integrity of the reporting systems.

### **Observations: Inadequate Documentation to Support Grant-Related Activities**

#### **1. Inadequate Expenditure Documentation**

To determine whether Passion and Compassion's grant expenses were adequately supported with appropriate documentation (e.g., invoice, receipt, contract/agreement, etc.) and aligned with its mission, we utilized the organization's accounting records and bank statements for the period of January 1, 2022, through June 30, 2024, and selected nine (9) transactions totaling, \$7,485 for testing. The organization did not provide supporting documentation (i.e., invoices/receipts) for three (3) transactions totaling \$1,071.

A summary of these unsupported transactions, which was developed from the categorization and descriptions provided in the accounting and bank records, is summarized in the table below:

Expense Category	Amount	# of Transactions
Transportation - Fuel (Truck)	\$570	2
Repair and Maintenance (Supplies)	\$501	1
<b>Total</b>	<b>\$1,071</b>	<b>3</b>

## **2. Inadequate Contractor Documentation**

During our review, we assessed whether the organization's operations were conducted in accordance with applicable laws, regulations, and policies.

A&I requested Form 1099-MISC and 1099-NEC for the nine (9) individuals that were paid \$600 or more during calendar years 2022 and 2023, as well as confirmation that the forms were submitted to the IRS.

All of the individuals, with the exception of one (1), were issued a 1099-NEC as required. The one (1) exception where a 1099-NEC was not issued was for payments made to an individual in CY 2023 totaling \$1,915.

According to organization, the individual provided an incorrect Social Security number, which was not discovered until attempts were made to issue a Form 1099 to the individual for 2023. A&I requested a copy of the Form W-9 that should have been issued to the individual prior to utilizing his services. However, the organization was unable to locate a copy. The Form W-9 would have provided evidence of the submittal of an incorrect Social Security number by the individual.

## **3. Lack of Food Receipt/Distribution Documentation**

P&C receives food donations from various donors, which are distributed to the public during its food distribution events. A&I requested written agreements between the organization and the food providers (donors) and noted that written agreements do not exist.

Sound business practices would dictate that the organization have written contract agreements that would offer clarity, legal protection, and enforceability in business transactions.

A request was also made for logs that supported the pick-up and delivery of food items. P&C provided pick-up logs for 2022, 2023, and 2024, but did not provide logs for the delivery of food items to residents. The organization reported that it does not maintain documentation to support the number of residents served during its food distribution events.

The publication on standards for internal controls (GAO-14-704G) (09/14), the Government Accountability Office (GAO) states the following about appropriate documentation of transactions and internal control activities:

*“Management clearly documents internal control and all transactions and other significant events in a manner that allows the documentation to be readily available for examination. The documentation may appear in management directives, administrative*

*policies, or operating manuals, in either paper or electronic form. Documentation and records are properly managed and maintained.”*

Additionally, P&C’s grant applications required the organization to maintain documentation to support all grant expenditures as a condition of the grant award.

The failure to maintain adequate documentation to support grant transactions prevents management from effectively reviewing these transactions in detail when they were initiated or during a subsequent audit, ensuring that they were reasonable, accurate, and aligned with the organization’s mission/purpose.

Furthermore, the lack of written contract agreements could result in disputes, misunderstandings, difficulty enforcing rights, and potential legal risks, which could negatively affect the organization’s operations.

## **RECOMMENDATIONS**

**As a result of the observations outlined in this report**, Passion and Compassion, Inc. should use the recommendations documented in **Attachment 1** to improve and enhance its operations, further demonstrating its commitment to accountability, openness, and best practices in governance and management.

**Schedule 1**

**PASSION AND COMPASSION, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE PERIODS ENDING**  
**DECEMBER 31, 2022, DECEMBER 31, 2023 and DECEMBER 31, 2024**  
**(CASH BASIS-UNAUDITED)**

	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>
<b>REVENUES:</b>			
Contributions	\$69,073	\$56,659	\$45,838
Other Income	—	25,206	31,423
Grants	80,000	197,500	88,500
<b>Total Revenues</b>	<b><u>\$149,073</u></b>	<b><u>\$279,365</u></b>	<b><u>\$165,761</u></b>
 <b>EXPENDITURES:</b>			
Salaries/Wages	\$41,284	\$101,841	\$117,996
Payroll Taxes	8,427	9,968	9,418
Contractors	62,251	17,230	16,717
Depreciation	26,240	27,691	29,517
Advertising & Marketing	1,324	3,122	2,391
Insurance	3,577	4,300	4,864
Software	829	776	1,486
Fundraising	2,121	—	—
Equipment Lease	708	—	—
Utilities	4,078	8,708	9,648
Repairs & Maintenance	4,525	4,810	9,793
Office Expenses	1,209	3,601	2,888
Fuel	7,079	7,739	4,077
Supplies	914	23,203	9,657
Travel	654	408	302
Miscellaneous	4,500	1,767	1,160
<b>Total Expenditures</b>	<b><u>\$169,720</u></b>	<b><u>\$215,164</u></b>	<b><u>\$219,914</u></b>
 <b>Excess Revenue Over/(Under) Expenditures</b>	<b><u><math>(20,647)</math></u></b>	<b><u><math>64,201</math></u></b>	<b><u><math>(54,153)</math></u></b>



## THE PRINCE GEORGE'S COUNTY GOVERNMENT

### Office of Audits and Investigations

June 6, 2025

Benjamin Slye, Executive Director  
Passion and Compassion, Inc.  
5600 Taylor Road  
Riverdale Park, MD 20737

Dear Mr. Slye,

The Office of Audits and Investigations (A&I) recently completed its review and communicated our audit findings with representatives of your organization on June 3, 2025. The scope included all transactions related to the receipt and disbursement of the total grant funds received from July 1, 2022, through June 30, 2024 (a total of \$137,500). The objectives of our audit were to:

- Assess the adequacy of the system of internal and management controls over grant funds received and expended.
- Assess whether grant-related transactions occurred consistent with Passion and Compassion, Inc.'s grant request applications and other generally accepted business practices.
- Identify factors inhibiting satisfactory performance in these areas and make recommendations to protect the County's interest regarding the grant funds.

#### **The following observations were noted during our review:**

1. **Expenditure Documentation** - To determine whether Passion and Compassion's (P&C) grant expenses were adequately supported with appropriate documentation (e.g., invoice, receipt, contract/agreement, etc.) and aligned with its mission, we utilized the organization's accounting records and bank statements for the period of January 1, 2022, through June 30, 2024, and selected nine (9) transactions totaling \$7,485 for testing. The organization did not provide supporting documentation (i.e., invoices/receipts) for three (3) of the transactions tested totaling \$1,071.
2. **Contractor Documentation** - A&I requested Form 1099-MISC and 1099-NEC for the nine (9) individuals that were paid \$600 or more during calendar years 2022 and 2023, along with confirmation that the forms were submitted to the IRS. All of the individuals with the exception of one (1) were issued 1099-NEC as required.
  - a. The one exception where a 1099-NEC was not issued was for payments made to an individual in CY 2023 totaling \$1,915. A copy of the Form W-9 that should have been issued to the individual prior to utilizing his services, was not provided for our review.

3. **Food Receipt/Distribution Documentation** - A&I noted that the organization does not have written contracts with its food donors that outline the terms and conditions of its agreements. We also noted that the organization does not maintain documentation to support the number of residents served during its food distribution events.

### **Recommendations:**

Based on the observations noted in this audit, Passion and Compassion, Inc. should implement the following recommendations:

1. Maintain appropriate documentation to support all transactions, including, but not limited to, payroll documentation, signed contract agreements, documentation of distribution events and recipients of food provided during these events, and detailed receipts/invoices for expenditures incurred.
2. Establish written agreements with all of its food donors. The agreements should clearly outline the terms between the organization and the vendors, including the amount of food to be received, pick-up schedules, termination clauses, etc. and should be signed by both parties.

### **Conclusion:**

We hope the organization will use the above recommendations to improve and enhance its operations. The organization is also strongly encouraged to obtain the Standards of Excellence Accreditation and Recognition (Basics Enhanced Tier or above) as evidence of the organization's accountability, openness, and commitment to best practices in governance and management. See [Standards for Excellence Accreditation and Recognition Overview](#) for more information.

Please contact me if you have any questions regarding the audit matters noted. Thank you.

Sincerely,



Turkessa M. Green, CPA  
County Auditor

cc: Colette R. Gresham, Acting Council Administrator  
Karen Zavakos, Associate Council Administrator  
Inez Claggett, Director, Council Office of Finance