

# CITY OF PHILADELPHIA PENNSYLVANIA

## OFFICE OF THE CONTROLLER

MAYOR'S FUND FOR PHILADELPHIA

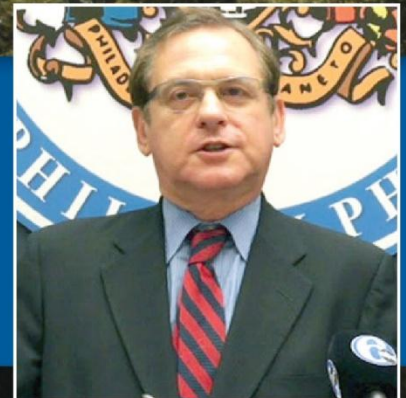
INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES

ON

THE MARATHON RESERVES SPENDING OPERATIONS

2015 AND 2014

City Controller  
**Alan Butkovitz**



*Promoting honest, efficient & fully accountable government*



# CITY OF PHILADELPHIA

OFFICE OF THE CONTROLLER  
1230 Municipal Services Building  
1401 John F. Kennedy Boulevard  
Philadelphia, PA 19102-1679  
(215) 686-6680 FAX (215) 686-3832

ALAN BUTKOVITZ  
City Controller

GERALD V. MICCIULLA  
Deputy City Controller

August 10, 2016

Ms. Ashley Del Bianco  
Executive Director  
Mayor's Fund for Philadelphia  
City Hall, Room 708  
Philadelphia, PA 19102

Dear Ms. Del Bianco:

As you requested, the Office of the Controller performed certain agreed-upon-procedures on Marathon Reserves expenses of the Mayor's Fund for Philadelphia. We provided a synopsis of the results of our work in the executive summary to the report. The conditions giving rise to the findings and recommendations contained in this report occurred under the previous Mayor's Fund for Philadelphia administration.

We discussed our findings and recommendations with you and have included your written response to our comments as part of the report. We did not audit your written response and, accordingly, we express no opinion on it. We believe that our recommendations, if implemented by management, will improve accountability over the Mayor's Fund for Philadelphia. We have numbered our recommendations to facilitate tracking and follow-up in subsequent years.

We would like to express our thanks to you and to the management and staff of the Mayor's Fund for Philadelphia for their courtesy and cooperation in the conduct of our work.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Alan Butkovitz".

ALAN BUTKOVITZ  
City Controller

cc: Honorable Members of City Council  
Members of the Mayor's Cabinet  
Rob Dubow, Director of Finance



# MAYOR'S FUND FOR PHILADELPHIA

## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

### EXECUTIVE SUMMARY

#### Why the Controller's Office Conducted the Engagement

The Office of the Controller (Controller's Office) conducted this Agreed-Upon-Procedures engagement at the request of the executive director of the Mayor's Fund for Philadelphia (Mayor's Fund) to assist in evaluating the propriety of Marathon Reserves expenses incurred during 2014 and 2015. According to the director, these expenses were funded by fees of the Philadelphia Marathon, and the decision to segregate them from other expenses of the Mayor's Fund occurred during 2014 under the previous mayoral administration. The executive director had concerns that some of the Marathon Reserves funds may not have been spent appropriately and asked that we (1) gain an understanding of the policies and control activities adopted by the Mayor's Fund over grant awards and ascertain whether these same policies and control activities were followed for the Marathon Reserves expenses; and (2) observe if the Marathon Reserves expenses were adequately supported, authorized, and in accordance with the Mayor's Fund goals and objectives.



#### What the Controller's Office Found

Based solely on the agreed-upon-procedures performed for 66 percent of the expenses (\$393,000 out of \$593,000 for 2014 and 2015), the Controller's Office found that during 2015 the chairperson of the Mayor's Fund under the prior mayoral administration substantially circumvented all the policies and control activities that had been designed and adopted for the fund. In short, the former board chair operated autonomously and was allowed almost exclusive discretion for awarding grants and incurring expenses charged to the account. Some of the more significant findings involving Marathon Reserves spending included:

- Only five of the 21 selected expense amounts reviewed appeared to be grant related, as required. Of these five apparent grants, which totaled \$147,000, only three were supported by the necessary grant application.
- All but one expense, a non-grant payment of \$10,000 to the Office of Sustainability, were approved exclusively by the chairperson, instead of by the Board of Directors.
- Expenses frequently had very little supporting documentation or explanation as to their nature and purpose. One example included: charges totaling nearly \$52,000 for an unnamed individual or group of individuals' stay at the Philadelphia Marriott Courtyard from September 15, 2015 to October 3, 2015.
- It frequently appeared that the former chairperson used the Marathon Reserves to fund celebration events instead of making grant awards. For example, we observed \$45,000 paid to various vendors for the Mayor's annual tree lighting ceremony, and over \$19,000 to a dining service vendor in 2015.

#### What the Controller's Office Recommends

The Controller's Office has developed recommendations to address the above findings. These recommendations can be found in the body of the report.

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## INTRODUCTION



**Organization and Nature of Activities**



The Fund for Philadelphia, Inc., which does business as the Mayor's Fund for Philadelphia (Mayor's Fund), is a 501 (c ) (3)

organization that works in close partnership with the City of Philadelphia (City) and private sector partners to advance initiatives that reflect Mayoral priorities and seek to improve the quality of life for all Philadelphians. The Mayor's Fund serves as a fiscal agent for certain city agencies and manages between \$7-\$10 million annually for City programs that promote activities such as tourism, business and economic development, education, culture and the creative economy, as well as job growth.

A board of four designated directors (up to 11 in total) oversees the Mayor's Fund, while an executive director and four staff members handle daily operational and administrative tasks. Board members include the President of City Council, the City Representative or Director of Commerce, the Managing Director, and the Mayor's Chief of Staff or Deputy Chief of Staff. Each of these members may send an alternate to board meetings. The Mayor's Fund executive director also serves as the board's secretary and the City's Chief Grants Officer. She and her staff manage grant funds on behalf of some 70 programs that include, for example, Philly Play, PowerCorpsPHL, My Brother's Keeper (Philadelphia) and the Better Bike Share Partnership. These programs have been set up to support the five-core Mayoral priorities, which encompass education and health, environment and sustainability, government efficiency and effectiveness, place of choice, and public safety.



The Mayor's Fund receives revenue from administrative fees charged for management of private funds and grants, but its principal source of unrestricted receipts is generated from registration fees of the Philadelphia Marathon. This annual event occurs each November in Philadelphia and

is managed by the offices of the City Representative and Parks & Recreation. Marathon revenue proceeds support the operations of the Mayor's Fund, as well as provide monies for grant awards to City agencies and other non-profit entities.

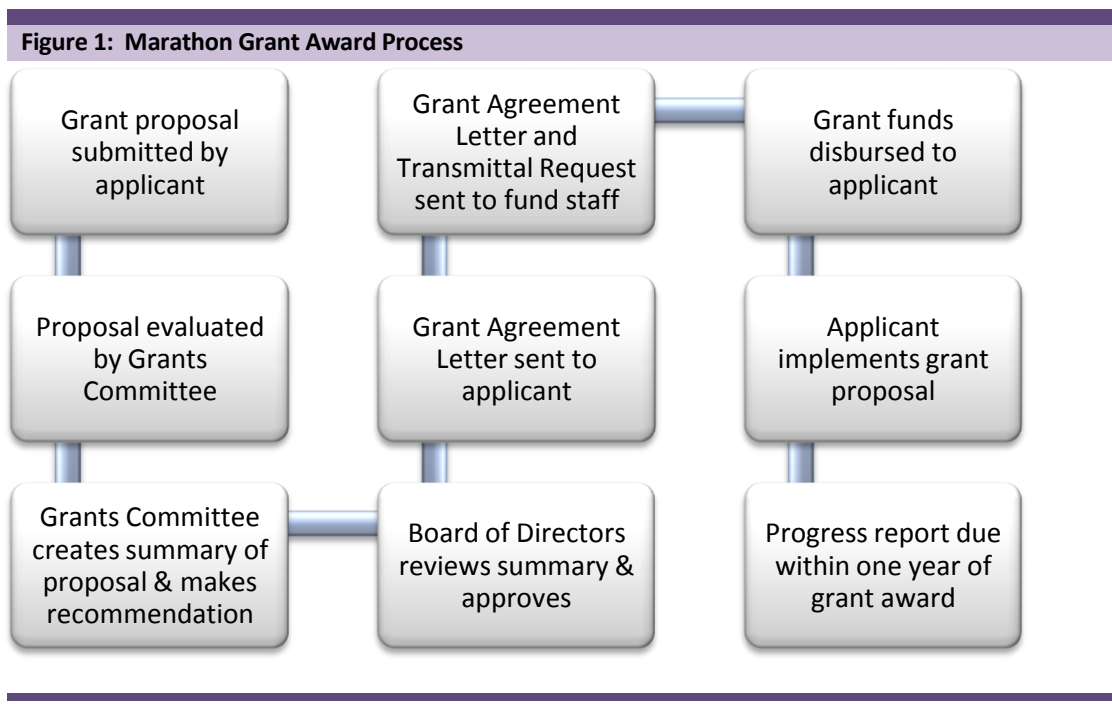
**Marathon Grants**

The number and amount of grant awards varies depending on the revenue raised by the Marathon. Beginning in 2014, annual grant award funding totaled \$500,000 and was provided primarily through the Fund's Marathon Grant account, which was under the watchful eyes of the Fund's Board of Directors. As asserted to us during our work, members of the board

under the previous mayoral administration decided to split the \$500,000 allotted to grant awards between two accounts – the Marathon Grant account and the Marathon Reserves account. Amounts of \$300,000 and \$200,000 were allotted to each of these accounts, respectively, to provide grants to city agencies and other entities, such as The Philly Champions and Philadelphia Youth Network.

**Grant Award Policies and Process**

To be eligible for a grant, the program must be sponsored by the mayor, a deputy mayor, or a department or agency head and align with the five-core priorities adopted by the Mayor. Grant applications are accepted on a rolling basis and are subject to review by a grant committee comprised of the Mayor’s Fund’s executive director and her staff. They are supposed to make recommendations to the Board of Directors, who ultimately approve or disapprove the grants at quarterly board meetings. Figure 1 below depicts the process.



Source: Office of the City Controller

Once the Board of Directors approves a program, the grantee’s program manager must sign a grant agreement letter. This letter represents acceptance of the award and delineates the grant terms. For example, one of the terms requires that within a year, grantees must submit a progress report demonstrating how the funds supported the program.

**Disbursement Procedures**

The Mayor’s Fund generally handles disbursements for grant programs in one of two ways: (1) it distributes a check payable to the grantee directly for the

grant amount; or (2) acting as a fiscal agent on behalf of the grantee, it issues checks directly to vendors. All disbursements require support. In the case of a grant award payable directly to the grantee, an application and board meeting minutes that substantiate the Board of Director's approval of the grant are required. All other grant disbursements must include a Transmittal Request form signed by the grantees' program manager along with supporting documentation such as an invoice.

Checks written in the amount of \$5,000 or more require two signatures including the Mayor's Fund executive director and the board treasurer (or other directors approved by the Board as designated signatories). Checks under that amount need only one signature.

### **Purpose, Scope, and Procedures**

Concerned about what appeared as a lack of oversight for grants funded with the Marathon Reserves allotment, the Fund's executive director requested that the Office of the Controller review procedures for approving and incurring expenses with these funds, as well as the disbursements themselves for calendar years 2014 and 2015 (see Table 1 below). More specifically, she requested that we:

- (1) Make inquiries of key personnel and observe how transactions were processed to gain an understanding of policies and control activities adopted by the Mayor's Fund over grant awards and disbursements; (2) ascertain, through queries and observations, whether these same policies and control activities had been implemented for expenses funded with Marathon Reserves; and (3) compare the policies and control activities against best practices to offer recommendations for observed deficiencies.
- Observe Marathon Reserves expenses incurred during calendar years 2014 and 2015, to determine whether they were adequately supported, authorized, and in accordance with the Mayor's Fund goals and objectives.<sup>1</sup>

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<sup>1</sup> Disbursement records of the Marathon Reserves account that staff of the Mayor's Fund provided to us show only one disbursement for 2014.



**Table 1: Schedule of Marathon Reserves Spending for the Two-Year Period Ending December 31, 2015**

	<b>Date</b>	<b>Payee</b>	<b>Project &amp; Transaction Description</b>	<b>Amount</b>
1	8/12/2014	E. Steven Collins Scholarship	Temple University - Gift to Scholarship Fund	\$5,000.00
2	1/15/2015	Philly Champions Teams	Philly Champions Grant	80,000.00
3	3/16/2015	My Brother's Keeper	Food – City View Pizza	218.26
4	3/16/2015	My Brother's Keeper	Travel – Amtrak	106.00
5	3/18/2015	Technically Philly	2014 Philly Tech Week – Philly Track Meet Supporting Sponsor	5,000.00
6	4/20/2015	Film Office	Tripod Initiative	5,000.00
7	6/12/2015	San Francisco Travel Foundation	Recognition of senior mayors across the country & their commitments to urban communities.	10,000.00
8	6/15/2015	Mayor's Office	Travel to Rome Airfare	21,413.20
9	6/15/2015	Mayor's Office	Travel to Rome Airfare	12,472.40
10	6/15/2015	New Urban Mechanics	Collateral Material	10,000.00
11	6/17/2015	My Brother's Keeper	Collateral Material	10,000.00
12	6/25/2015	Global Philadelphia	World Heritage Grant 2015 / Reserve 2014	10,000.00
13	7/13/2015	Mayor's Office	Travel to Rome (Airfare, Lodging, Travel Expenses)	16,059.44
14	7/13/2015	Mayor's Office	Travel to Rome (Airfare & Lodging)	1,350.20
15	7/13/2015	Office of Sustainability	Event Funding	10,000.00
16	7/22/2015	Olivia Brown	NAACP – Services for Mayor's Reception	75.00
17	7/22/2015	Henri McMillan Jr.	NAACP – Services for Mayor's Reception	900.00
18	7/22/2015	William Z Foster	Photography Services for Mayor's Reception	150.00
19	7/22/2015	Corey Hatch	NAACP – Services for Mayor's Reception	300.00
20	7/22/2015	Keven Parker Company	NAACP – Catering for Mayor's Reception	10,810.00
21	7/22/2015	Replica Global	NAACP – Banners for Mayor's Reception	640.00
22	7/23/2015	Westcott Funeral Home, Inc	PowerCorps Funeral	8,425.00
23	8/18/2015	Mayor's Office	Forbes Event Catering	390.00
24	10/2/2015	Cashman and Associates	Welcome America – Graphic Design Fan Designs	1,791.00
25	10/9/2015	Mariott Courtyard	Pope Visit	51,931.11
26	10/15/2015	NAACP	Expense Reimbursement and Services for Mayor's Reception	85.50
27	10/15/2015	NAACP	Expense Reimbursement for Mayor's Reception	86.12
28	11/5/2015	Mt. Moriah Cemetery	Mt. Moriah Gatehouse	22,000.00
29	11/9/2015	Mariott Courtyard	Lodging	2,883.08
30	11/10/2015	My Brother's Keeper	Summit Workshop	10,000.00
31	11/20/2015	Multiple Vendors	Christmas Party/Tree Lighting	40,000.00
32	11/20/2015	Philly Champions Teams	Philly Champions Fund Grant	25,000.00
33	11/24/2015	Philly Champions Teams	Philly Champions Grant	118,000.00
34	11/24/2015	Triskeles	Septa Transpasses for kids participating in a sustainability afterschool program	2,088.00
35	12/03/2015	Multiple Vendors	Christmas Party/Tree Lighting	5,000.00
36	12/10/2015	My Brother's Keeper	Summit – Add'l funding and Data Research	35,000.00
37	12/10/2015	Elfreth's Alley Association	Building Restoration	10,000.00
38	12/10/2015	University of the Arts	Deposit on rental space for Mayor's Farewell Celebration	3,000.00
39	12/15/2015	Mayor's Fund	Support Mayor's Fund Accomplishments Report	5,000.00
40	12/29/2015	Parkhurst Dining Services	Mayor's Farewell Celebration – honoring PowerCorps PHL & SERVE	19,090.36
41	12/30/2015	Center for Responsible Funding	2016 Combined Campaign Funding	20,000.00
42	12/31/2015	<sup>1</sup>	Chef Table Invoice Correction	3,308.75
			<b>Total</b>	<b>\$592,573.42</b>

<sup>1</sup> – No Payee Description provided.

Source: Mayor's Fund for Philadelphia

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**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES**



# CITY OF PHILADELPHIA

OFFICE OF THE CONTROLLER  
1230 Municipal Services Building  
1401 John F. Kennedy Boulevard  
Philadelphia, PA 19102-1679  
(215) 686-6680 FAX (215) 686-3832

ALAN BUTKOVITZ  
City Controller

GERALD V. MICCIULLA  
Deputy City Controller

## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Executive Director of the Mayor's Fund for Philadelphia,

We have performed the procedures enumerated in the Procedures Performed and Results of Testing section of this report. These procedures, which were agreed to by the Mayor's Fund for Philadelphia management, were applied solely to assist you in evaluating the accompanying Schedule of Marathon Reserves Spending for the two-year period ending December 31, 2015.

Mayor's Fund for Philadelphia management is responsible for the Schedule of Marathon Reserves Spending. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures included in the Procedures Performed and Results of Testing section of this report, either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and our findings are discussed in the accompanying Procedures Performed and Results of Testing section of this report.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the Schedule of Marathon Reserves Spending. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Mayor's Fund for Philadelphia management, and is not intended to be and should not be used by anyone other than these specified parties.

Handwritten signature of Gerald V. Micciulla in cursive.

GERALD V. MICCIULLA, CPA  
Deputy City Controller  
Philadelphia, Pennsylvania  
June 8, 2016

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## **PROCEDURES PERFORMED AND RESULTS OF TESTING**

**Policies and  
Control  
Activities**

**1. Procedure Performed**

The Controller’s Office (1) made inquiries of key personnel and observed how transactions were processed to gain an understanding of policies and control activities adopted by the Mayor’s Fund for grant award and disbursements; (2) ascertained, through inquiries and observations, whether these same policies and control activities had been implemented for expenses funded with Marathon Reserves; and (3) compared the policies and control activities against best practices to offer recommendations for observed deficiencies.

Inquiries we made included:

- How does one apply for a grant?
- What documents are required for submission of a grant request?
- How are grantees determined?
- What basis is used to evaluate grantee applications?
- Who authorizes grant awards?
- Are there limitations on the number and amounts of awards made each year?
- How are grant awards and other disbursements processed?
- What documentation is required to disburse funds?
- Who must authorize disbursements?

Key personnel to whom we spoke included the Mayor’s Fund executive director, deputy director, and fund finance manager. As part of our inquiries, we observed a small sample of transactions funded with Marathon Grant monies (seven) to validate our understanding of the procedures in place for these disbursements.

**1.1 Finding**

For grants paid with Marathon Reserves allotted funds, the former board chair substantially circumvented all the policies and procedures that had been designed and adopted by the Mayor’s Fund for grants funded with Marathon Grant monies. We observed, for instance, that grant applications, if they existed, were neither evaluated nor recommended to the Board of Directors by the grant committee. Moreover, grant awards were not submitted to the board for approval. Likewise, the former board chair evaded proper authorizations and documentation requirements for other types of disbursements funded with Marathon Reserves. In short, the former board chair operated autonomously and was allowed almost exclusive discretion for awarding grants and incurring expenses with these funds.

**1.2 Finding**

No support existed that documented the decision to create the Marathon



Reserves allotment of grant monies within the financial structure of the Mayor's Fund. Board minutes we reviewed showed no evidence of a board resolution establishing the allotment.

### **1.3 Finding**

The Mayor's Fund does not publicly advertise the availability of its grant funds. Consequently, this may be limiting the diversity of projects to promote the five-core priorities of the Mayor.

### **1.4 Finding**

Budgets that would cap the amount of grant awards issued and place limits on other spending were not in use. As a result, grant awards and other spending could exceed available funds. For 2014 and 2015 combined, the Board chair of the Mayor's Fund exceeded the allotted Marathon Reserves by nearly \$200,000.

### **Recommendations**

To better manage grant fund expenditures we recommend that:

- All grant awards, whether from the regular Marathon Grant allotment of funds or the Reserves allotment be subject to the same scrutiny and approval process. Grant proposal applications should be appropriately submitted, evaluated by the Grants Committee, and then approved or rejected by the Board of Directors [400516.01].
- Decisions to modify aspects of the Mayor's Fund should be based on formal resolutions and be approved by the Board of Directors. All such decisions should be documented in the minutes of the board [400516.02].
- The Mayor's Fund Board of Directors considers adopting and passing a resolution to require that the availability of grant funds be publicly advertised [400516.03].
- The Mayor's Fund adopt an annual spending budget [400516.04].

## **2. Procedure Performed**

The Controller's Office observed Marathon Reserve expenses incurred during calendar years 2014 and 2015, to determine whether they were adequately

supported, authorized, and in accordance with the Mayor’s Fund goals and objectives. In performing these procedures, we judgmentally sampled 21 Marathon Reserves allotted expenses totaling \$393,092, which represented 66 percent of the expenses for the two-year period we reviewed (see Table 2 below).<sup>2</sup>

**Table 2: Selected Marathon Reserves Expenses for Testing**

	Date	Payee	Amount	Appears Grant Related	Approved by Board of Directors	Approved by Chair person	Adequately Prepared Transmittal Request	Proper supporting documentation (i.e. invoice)	Consistent with Mayor’s 5 Core Priorities	Monitoring of outcome
1	1/15/2015	Philly Champions Fund Grant	\$80,000.00	Y	N	Y	Y	Y	Y	N
2	6/12/2015	San Francisco Travel Foundation	10,000.00	N	N	Y	N	N	N	N
3	6/15/2015	Mayor’s Office	21,413.20	N	N	Y	N	N	N	N
4	6/15/2015	Mayor’s Office	12,472.40	N	N	Y	N	N	N	N
5	6/15/2015	New Urban Mechanics	10,000.00	Y	N	Y	Y	N	N	N
6	6/17/2015	My Brother’s Keeper	10,000.00	Y	N	Y	N	N	N	N
7	7/13/2015	Mayor’s Office	16,059.44	N	N	Y	N	N	N	N
8	7/13/2015	Mayor’s Office	1,350.20	N	N	Y	N	N	N	N
9	7/13/2015	Office of Sustainability	10,000.00	N	Y	Y	Y	Y	Y	Y
10	7/22/2015	Henri McMillan Jr.	900.00	N	N	Y	N	Y	N	N
11	7/22/2015	Keven Parker Company	10,810.00	N	N	Y	N	Y	N	N
12	7/22/2015	Replica Global	640.00	N	N	Y	N	Y	N	N
13	7/23/2015	Westcott Funeral Home, Inc	8,425.00	N	N	Y	Y	N	N	N
14	10/9/2015	Mariott Courtyard	51,931.11	N	N	Y	N	N	N	N
15	11/5/2015	Mt. Moriah Cemetery	22,000.00	Y	N	Y	Y	N	Y	N
16	11/20/2015	Multiple Vendors (Christmas Party/Tree Lighting)	40,000.00	N	N	Y	Y	Y	N	N
17	11/20/2015	Philly Champions Teams	25,000.00	Y	N	Y	Y	Y	Y	N
18	12/3/2015	Multiple Vendors (Christmas Party/Tree Lighting)	5,000.00	N	N	Y	N	Y	N	N
19	12/10/2015	My Brother’s Keeper	35,000.00	N	N	Y	Y	N	N	N
20	12/10/2015	University of the Arts	3,000.00	N	N	Y	Y	Y	N	N
21	12/29/2015	Parkhurst Dining Services	19,090.36	N	N	Y	N	Y	N	N
		<b>Total</b>	<b>\$393,091.71</b>							
<b>Y - Yes</b>										
<b>N - No</b>										

Source: Prepared by the Office of the Controller

### 2.1 Finding

Of the 21 selected expenses funded with Marathon Reserves monies, only

<sup>2</sup> Our observations revealed that only one disbursement from the Marathon Reserves account occurred during 2014. We did not select it for review.

five, totaling \$147,000 appeared to be grant related. Of this five, only three were supported by the required grant application.

## **2.2 Finding**

All but one expense, a non-grant payment of \$10,000 to the Office of Sustainability, were approved exclusively by the chairperson.

## **2.3 Finding**

Twelve expense amounts totaling nearly \$160,000 did not have an adequately prepared transmittal request associated with it – either it was unsigned or completely missing. Of these twelve amounts, three with unsigned transmittal requests that totaled over \$12,000 represented expenses for the NAACP<sup>3</sup> Mayor’s Reception at the African American Museum in Philadelphia. This event included a three-hour open wine and beer bar that cost almost \$11,000.

## **2.4 Finding**

Disbursements frequently had very little supporting documentation or explanation as to their nature and purpose. We observed, for example:

- American Express charges for \$51,295 for airfare to Rome and lodging for the mayor and five other executive staff;
- charges totaling nearly \$52,000 for an unnamed individual or group of individuals’ hotel stay at the Philadelphia Marriott Courtyard from September 15, 2015 to October 3, 2015; and
- a \$10,000 payment (only supported by an e-mail request from the board chair) to the San Francisco Travel Foundation for an event indicated in the file as supporting the nation’s mayors and their leadership in economic development, public safety and innovation.

## **2.5 Finding**

Because of the lack of supporting documentation, it was often difficult to determine whether the sampled Marathon Reserves expenses supported the five-core priorities established for the Mayor’s Fund. In our opinion, over 80 percent of the selected expense amounts we examined did not support these priorities. Moreover, it frequently appeared that the former chairperson used

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<sup>3</sup> National Association for the Advancement of Colored People.

the Marathon Reserves to fund celebration events more than for making grant awards. For example, we observed \$45,000 paid to various vendors for the Mayor's annual tree lighting ceremony, and over \$19,000 to a dining service vendor. In one case, e-mails we examined indicate that despite being informed it was against the Mayor's Fund policy to host celebration events, the prior board chair requested and spent \$20,000 - \$23,000 to host the Mayor's Farewell Dinner celebration honoring staff of the Mayor's Office of Community Engagement and Volunteer Service. The evidence available for review suggests that alcohol related expenditures were also included.

**Recommendation**

We recommend that the new Board of Directors take a more active oversight role in monitoring the use of the Marathon Reserves funds [400516.05].

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## **MANAGEMENT'S RESPONSE TO THE REPORT**





The Mayor's  
Fund for Philadelphia

Leveraging Public Private  
Partnerships for Lasting Results

August 9, 2016

The Honorable Alan Butkovitz  
City Controller  
City of Philadelphia  
1401 John F. Kennedy Blvd., Suite 1230  
Philadelphia, PA 19102-1679

Dear Mr. Butkovitz:

Thank you for the opportunity to discuss the contents of your draft report at the exit conference held on Wednesday, August 3, 2016. We appreciate the thorough and thoughtful procedural review of the Mayor's Fund for Philadelphia (the Fund), which your office conducted at our request. As noted in your report, I asked for your review of the disbursement of funds from a specific account, the Marathon Reserves account, which was established in 2014 for the purposes of grant making. As also noted in your report, the Marathon Reserves account was distinct from the primary grant making account of the Fund, named the Marathon Grants account. In my role as Executive Director, I requested a review of the Marathon Reserves account because I was aware that it functioned with different practices and controls than the Marathon Grants account.

For that reason, I wish to highlight the distinction between the functional practices of the Fund's two grant making accounts. I wish to emphasize that the Marathon Grants account, which is the Fund's primary method of grants disbursement, strictly follows the appropriate grants procedures which you document in the Grant Award Policies and Process section of your report (pp. 2-3).

As we discussed in the exit interview, I acknowledge the report's findings and accept the recommendations of the report. I will present the report promptly to the Mayor's Fund Board of Directors for their consideration, and I anticipate that they will thoroughly attend to your recommendations as we seek to strengthen controls and practices for all grant making functions of the Mayor's Fund. Indeed, the current Board of Directors, which includes both newly-appointed and continuing members, had already committed itself to reviewing the Fund's grant making policies and practices to more effectively align to the City of Philadelphia's policy priorities and to maintain high standards for integrity, transparency and equity in all aspects of the Fund's work.

Once again, I thank you and the management and staff of the Controller's Office for engaging in the independent review of the Fund's Marathon Reserves account.

Sincerely,

Ashley Del Bianco  
Executive Director

Room 708, City Hall • Philadelphia, PA 19107 • (215) 686-0321 • (215) 686-2161 (F)  
[www.mayorsfundphila.org](http://www.mayorsfundphila.org)

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## CONTROLLER'S OFFICE CONTACT AND STAFF ACKNOWLEDGEMENTS

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**City Controller's Office Contact** Bill Rubin, First Deputy City Controller, (215) 686-6696, bill.rubin@phila.gov

**Staff Acknowledgements** In addition to the individual named above, Gerald Micciulla, Post Audit Deputy Controller, Konstantinos Tsakos, Audit Director, Bangorn Banhdith, Audit Senior and Nitesh Patel, staff auditor contributed to this report.

**City Controller's Office Mission Statement** The City Controller's Office is the independent watchdog agency of the City of Philadelphia that strives to promote honest, efficient, effective, and fully accountable city government. We address this mission by: providing timely and objective analysis on the availability of funds for all city contracts; preventing inappropriate spending of public funds; and providing objective, timely, and relevant information to city officials, the public, and other interested parties about financial operations of the city, and on ways to improve city operations and the use of public resources.

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Telephone: (215) 686-8888 or (215) 686-3804 (automated line)