



Inspector General Insights

Background: The Board of County Commissioners (BCC) approved a Capital Investment for Diversification Incentive (CID) Program on March 24, 2015. The purpose of the CID program was to advance the County's economy and to increase Collier County's economic development competitiveness. Collier County provides a benefit equivalent of up to 100% of the value of the transportation impact fees actually assessed and remitted for business space directly housing the occupancy of a target industry. The CID program was later revised to include not only the transportation impact fees, but also the impact fees for EMS, law enforcement, jail, and government buildings.

Program Requirements

1. The facility must operate as a Targeted Business as defined by the State of Florida's Qualified Target Industry List

2. The facility is limited to new buildings or grey shell space within an existing building that hasn't been issued a Certificate of Occupancy

3. Impact fees are prepaid by the applicant

4. The employer must offer and pay at least 50% of the employee's health care coverage

5. The applicant must be current on all local tax liabilities

On February 13, 2018, the BCC entered into an agreement with First Bank providing an incentive to assist with First Bank's 7,074 square foot facility in Immokalee. The agreement describes the facility as being built on real property located at 330 15th St. N., Immokalee, FL 33440. The actual address of the facility, according to the Property Appraiser database, is 316 N 15th St. #1, Immokalee, FL 34142.

Objective: The purpose of this audit was to ensure that First Bank had complied with all requirements contained in their program agreement.

Scope: The Office of Inspector General (OIG) received a request to review a payment application for the second installment of the Capital Investment for Diversification (CID) Incentive Program agreement with First Bank for Fiscal Year 2021. We discovered that the first installment for Fiscal Year 2020 had already been paid on April 15, 2020, so our review encompassed both Fiscal Years 2020 and 2021.

Observations: We observed that the FY 2020 payment was made early based on the contract terms, as the first installment was paid 64 days earlier than the Payout Schedule per contract.

Additionally, we noted that the contract deliverables did not require verification of payroll records, to validate that the employees did not bear more than 50% of the health insurance costs. This was not a requirement of the contract, but this documentation would provide greater assurance of compliance.

None of our observations reflect a compliance deficiency as of FY 2021.

Recommendations & Actions:

1. We recommend that both BCC and Clerk staff verify the payout schedule before proceeding with authorization and payment.
2. Many state-sponsored programs require a verification of the payroll records, including a review of the employee identifiers, dates worked, and payroll registers to review related withholdings. These records can be reconciled to the quarterly withholding tax filings (Forms 941 or Unemployment) or annual tax statements (Forms W-2 or W-3). This provides a higher level of assurance that the business has complied with the objectives of the program. The Office of Business & Economic Development may want to consider stronger deliverables for the CID Incentive Program.

Conclusion: Overall, based on the results of our review, First Bank has complied with its contractual terms when considering their FY 2020 attestation to be a clerical omission, coupled with our subsequent substantiation of the employer health care coverage via an email with the bank President. Accordingly, we recommended proceeding with the pending annual payment for FY 2021 in the amount of \$37,949.98, which was paid November 23, 2021.

Total # Transactions	Amounts Audited or Reviewed	Questioned Costs	Taxpayer Savings	Description
2	\$ 75,899.96	N/A	N/A	Number of payments reviewed and amount due to be paid