Auditor Sand Affirms Special Use of Public Dollars to Assist Small Businesses During Pandemic

The Iowa State Auditor’s Office is announcing today that, while the operations of local businesses are curtailed by government orders related to the pandemic, expending public funds to encourage the public to patronize local businesses in ways that comply with government orders will meet the “public purpose” test during an audit, based on Iowa Code 15A.1 as a method of retaining jobs.

For example, printing flyers or using newspaper or radio ads to encourage the public to order take-out or delivery from local dine-in restaurants may help ensure those small businesses are able to survive the government’s order closing dine-in facilities.

Proper procedure includes that the public should have advance notice, the public purpose should be recorded prior to expenditures being made, the communication should not show favoritism to particular businesses, and conflicts of interest should be avoided.

Local officials considering other unusual measures are encouraged to contact the Auditor of State’s office for review. Such inquiries can be sent to drew.stensland@aos.iowa.gov.

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