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**AGENDA**  
**AMERICAN RESCUE PLAN (ARP) COMMITTEE**  
**JUDGE E. MAURICE BRASWELL CUMBERLAND COUNTY**  
**COURTHOUSE- ROOM 564**  
**SPECIAL MEETING**  
**OCTOBER 13, 2022**  
**11:00 AM**

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1. CALL TO ORDER
2. APPROVAL OF AGENDA
3. ITEMS OF BUSINESS
  - A. Request for ARP Funding to Continue Emergency Rental and Utility Assistance
4. UPDATES
  - A. Small Business Economic Assistance Program
  - B. Aid to Non-Profit Organizations
  - C. Status of Subawards with CFVH, FSU, and FTCC
  - D. Health Insurance Fund Reimbursement Eligibility
  - E. Provision for Restoring Pre-pandemic Employment Levels
5. OTHER ITEMS
  - A. Update on Current ARP Projects
6. ADJOURN



## **AMERICAN RESCUE PLAN**

### **MEMORANDUM FOR AMERICAN RESCUE PLAN COMMITTEE AGENDA OF OCTOBER 13, 2022**

**TO: AMERICAN RESCUE PLAN COMMITTEE**

**FROM: HEATHER SKEENS, ASSISTANT COUNTY MANAGER**

**DATE: 10/5/2022**

**SUBJECT: REQUEST FOR ARP FUNDING TO CONTINUE EMERGENCY RENTAL  
AND UTILITY ASSISTANCE**

#### **BACKGROUND**

In January 2021, Cumberland County entered into an agreement with NCPRO to receive funding to administer a program to assist Cumberland County residents with rent and utility assistance for those who experienced hardships due to the Covid-19 pandemic. During that time, the County contracted with organization, Innovative Emergency Management (IEM), to operate this program.

In May 2022, Cumberland County DSS (CCDSS) became the administrator of the County's Emergency Rental and Utility Assistance Program (ERAP). CCDSS received around 6,000 applications from IEM to process. CCDSS also received approximately \$4.3 million in State ERA-1 to process the backlogged applications.

The use of this funding expired on September 30, 2022. The agency has approximately 645 applications that are currently pending. Approved applications as of October 1, 2022 will not be eligible to pay under State ERA-1 due to expiry of the funding.

We are anticipating our allocation of State ERA-2 funding from NCPRO within a few weeks and have requested reallocation of Treasury ERA-2 (ERA-2) monies. ERA-2 funds will be used to address new rent and utility applications when the application portal is opened on November 1<sup>st</sup>. We are requesting to access ARP funding set aside for rental assistance to use as bridge funding to continue processing backlogged applications until a new agreement is executed and new funding is received from NCPRO for the ERA-2 allocation.

Thank you for consideration of this matter that will provide vital rental and utility assistance to residents of

Cumberland County.

**RECOMMENDATION / PROPOSED ACTION**

Staff requests the ARP Committee's approval to use ARPA funding allocated for Household Assistance: Rental Assistance in the amount of \$1.5 million to fund pending applications unfunded after the September 30, 2022 ERA-1 expiration date.



## **AMERICAN RESCUE PLAN**

### **MEMORANDUM FOR AMERICAN RESCUE PLAN COMMITTEE AGENDA OF OCTOBER 13, 2022**

**TO: AMERICAN RESCUE PLAN COMMITTEE**

**FROM: TYE VAUGHT, CHIEF OF STAFF**

**DATE: 10/7/2022**

**SUBJECT: SMALL BUSINESS ECONOMIC ASSISTANCE PROGRAM**

#### **BACKGROUND**

ARP Staff has been meeting with business owners to obtain signatures for funding contracts. Staff is working diligently to move these executed contracts through the County's workflow and purchase order processes. The ARP Staff Committee is performing final reviews on applications not recommended for funding by the Small Business Review Panel and sending out determination letters to those applicants.

Staff is also conducting final programmatic reviews on applications in Steps 3 and beyond to bring final program recommendations to the ARP Committee at a future meeting.

#### **RECOMMENDATION / PROPOSED ACTION**

No action is required for informational purposes only.



## **AMERICAN RESCUE PLAN**

### **MEMORANDUM FOR AMERICAN RESCUE PLAN COMMITTEE AGENDA OF OCTOBER 13, 2022**

**TO: AMERICAN RESCUE PLAN COMMITTEE**

**FROM: TYE VAUGHT, CHIEF OF STAFF**

**DATE: 10/7/2022**

**SUBJECT: AID TO NON-PROFIT ORGANIZATIONS**

#### **BACKGROUND**

At the September 6, 2022, American Rescue Plan Committee meeting, the Committee directed staff to do a deeper analysis of program budgets submitted by responsive proposals received through the Aid to Nonprofit formal RFP process.

In this analysis, staff has determined that significant portions of submitted budgets are for administrative costs. Sub-awards are capped at administrative expenses of 10% for either direct or indirect costs.

Staff is seeking the guidance of the ARP Committee on how to address this matter. If the ARP Committee wishes to move forward with the current proposals, County Purchasing can submit a final Request for Clarification requesting the remaining responsive nonprofits submit revised budgets and amend their scopes of works based on their fixed capacity based on the amended budgets.

The Committee may reject all proposals and direct staff to administer aid to nonprofits through an alternative method.

Staff is seeking feedback from the ARP Committee.

#### **RECOMMENDATION / PROPOSED ACTION**

No action is required for discussion and informational purposes only



## **AMERICAN RESCUE PLAN**

### **MEMORANDUM FOR AMERICAN RESCUE PLAN COMMITTEE AGENDA OF OCTOBER 13, 2022**

**TO: AMERICAN RESCUE PLAN COMMITTEE**

**FROM: VICKI EVANS, FINANCE DIRECTOR**

**DATE: 10/9/2022**

**SUBJECT: STATUS OF SUBAWARDS WITH CFVH, FSU, AND FTCC**

#### **BACKGROUND**

As previously discussed, federal and state requirements for contracting or sub-awarding ARPA funds is cumbersome and time consuming both for the vendor/subrecipient and for county staff. Specific to the sub-award process, Finance staff have been working with staff of Cape Fear Valley Health (Narcan distribution project and Community Paramedics project), Fayetteville State University (Small Business Enterprise project), and Fayetteville Technical Community College (HOPE: Hope, Opportunity, Prosperity through Education project) on documentation requirements of sub-awards.

Each of the three entities is at a different stage of the documentation submission and review process which is required before a subrecipient risk assessment can be conducted. Finance staff are currently awaiting feedback from CFVH on needed policy changes and other documentation items for both projects. FSU described a project that does not meet ARPA eligibility criteria which will require the county to provide a different funding source for the county contribution amount. FTCC has submitted all required documentation including board approved policies which has moved them forward to finance staff conducting the risk assessment process.

To provide perspective, a sample letter to potential subrecipients showing required documentation and questionnaire is attached. Templates provided by the UNC School of Government were utilized to create the documentation requirements.

#### **RECOMMENDATION / PROPOSED ACTION**

No action is required. For discussion and informational purposes only.

#### **ATTACHMENTS:**

**Description**  
Subrecipient Documentation Requirements

**Type**  
Backup Material

**Vicki Evans**  
Finance Director  
General Manager of Financial Services



**Ivonne Mendez**  
Deputy Finance Director

**Robert Tucker**  
Accounting Supervisor

DATE

NAME  
ENTITY  
EMAIL ADDRESS

Dear \_\_,

Documentation requirements and multiple questions to address Cumberland County's legal requirements, project eligibility determination, and the subrecipient risk assessment are provided within the listing that follows. Please electronically submit this information to Cumberland County's ARPA Finance Accountant. After receipt of all documentation and responses, finance staff will review for completeness and communicate back to your entity if further information is needed. Once documentation requirements are met and questions are satisfactorily addressed, finance staff will begin the risk assessment process.

If you have questions or need technical assistance in providing this information, please email me at [@cumberlandcountync.gov](mailto:@cumberlandcountync.gov).

Respectfully,

ARPA Finance Accountant

Attachments:      Eligibility Determination Form  
                         MS Excel Proposed Project Budget delineated by Cost Item for Allowable Cost Review  
                         Cumberland County Subaward Policy Appendix 3

**Important Note:** Any expenditures prior to an execution of a subaward will not qualify for ARPA funds or reimbursement.



**Legal Purposes:**

1. Names and addresses of all members of board of directors
2. Names and addresses of all officers
3. Copies of declarations page of any liability insurance
4. Most recently filed Form 990

**Project Eligibility Determination:**

5. Complete the attached Eligibility Determination Form
  - a. Section I, Basic Information and Description (Required)
  - b. Section II, 1 – 2 as applicable (Required)
  - c. Section II, 3 – 6 is not applicable to subrecipients (do not complete)
  - d. Section III, Proposed Project Budget, delineated by Cost Item for Allowable Cost Review – Format must conform to the attached MS Excel Workbook. If applicable, include personnel/pay policies that allow payment of stipends and use of interns if administered. If these funds will be used to pay employers, please provide a policy outlining that process.
6. Project Description must include
  - a. Defined Scope of Work with measurable goals/outcomes identified.
  - b. Service Population, i.e., low moderate-income and qualified census track
  - c. Any plans to subcontract work and description. Be aware that if ARP funds are used to subcontract, this same information being requested of the subrecipient must also be provided by the subcontractor. Yes/no (if yes, must have implemented a Policy for Subaward and Monitoring following the UNC-SOG policy template)
  - d. Any program income earned? Yes/no (if yes, must be documented in proposed project budget)
  - e. Any in kind or cash contribution to support the subaward? Yes/no (if yes, must be documented in proposed project budget)

**For Subrecipient Risk Assessment**

7. Tax ID#, current W-9, NC Secretary of State Proof of Active Business Registration, Unique Entity Identifier (UEI) number (to be used to validate eligibility in SAM – *Subrecipient Name on all documents must match name associated with the UEI in SAM.*)
8. Must adopt and implement all required Uniform Guidance policies and procedures consistent with ARP/CSLFRF requirements. Please provide a copy of each policy described in a – g. *For information regarding the ARP/CSLFRF requirements and sample policies, refer to the UNC School of Government webpage <https://arpa.sog.unc.edu/document-share/> as well as the County ARPA webpage <https://www.cumberlandcountync.gov/departments/commissioners-group/commissioners/american-rescue-plan/reports>*
  - a. Allowable Cost Principles Policies (*NEED POLICY FOLLOWING UNC-SOG TEMPLATE.*)
  - b. Eligibility Determination Policy (*NEED POLICY FOLLOWING UNC-SOG TEMPLATE.*)
  - c. Non-Discrimination Policy (*NEED POLICY FOLLOWING UNC-SOG TEMPLATE.*)
  - d. Conflict of Interest Policy (*NEED POLICY FOLLOWING UNC-SOG TEMPLATE.*)
  - e. Records Retention Policy and Close-Out Provisions (*NEED POLICY FOLLOWING UNC-SOG TEMPLATE.*)
  - f. Policy for Subaward and Monitoring (if applicable see 6. c.) (*NEED POLICY FOLLOWING UNC-SOG TEMPLATE.*)
  - g. Uniform Guidance Policies (see Cumberland County Purchasing Policy No. 3-3, Addendum that starts on page 4.
9. Questionnaire (Evidence may be requested to be provided in a follow up meeting or during a monitoring visit.)
  - a. Is the entity's facility, equipment, supplies, and staffing adequate for the needs of the award? Yes/no
  - b. Is the entity properly licensed or certified by a recognized source? Yes/no If yes, what source? (For example, the IRS non-profit determination letter)
  - c. Does the entity have a Code of Ethics Policy which is provided to all associated employees? Yes /no

- d. Does the entity have a financial management system that provides records that can identify the sources and application of funds for subaward funded activities? Yes /no
- e. Does the entity's financial system provide for the control and accountability of project funds, property, and other assets? Yes /no
- f. What is the current staffing level of the entity (percentage)?
- g. Document key staff changes in the entity during the past two years.
- h. What is the entity's staff's experience in performing stated activities in the proposed subaward?
- i. Does the entity have a formal, written personnel policy that addresses: (Yes/no to each)
  - i. Pay rates & benefits
  - ii. Time and attendance
  - iii. Leave
- j. Does the entity have sufficient internal controls related to the subaward funds? (Segregation of duties) Yes /no
- k. Awarded funds will be paid on a reimbursement basis with sufficient documentation requirements. Does the entity have sufficient cash flow to carry out the subaward terms? Yes /no
- l. Has the entity previously done work for the federal government? How many years of experience does your entity have administering federal awards?
- m. Is the entity experienced in managing federal funds of the scope/dollar amount in this proposed subaward? How many federally funded programs in this amount or above, has your entity administered over the past ten years?
- n. Identify any monitoring interventions the entity is currently subject to related to other federal grant awards.
- o. Does the entity maintain an inventory of federal government property that, at a minimum identifies purchase date, cost, vendor, description, serial number, location, and ultimate disposition data? Yes /no
- p. Does the entity have a designated federal cognizant audit agency? If yes, provide name of audit agency.
- q. When was your entity's most recent single audit? Provide a copy or link to the single audit. Have all audit findings been resolved?
- r. What is the entity's total overall annual budget? \$\_\_\_\_\_ What percentage of the entity's overall annual budget will this subaward comprise? \_\_\_\_%

#### Monitoring

10. See attached Subaward Policy – Appendix 3. The monitoring specifics start on page 4. Subrecipient must be able to demonstrate compliance to all applicable sections. Acknowledge ability to demonstrate as: Yes/no



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**TO: AMERICAN RESCUE PLAN COMMITTEE**

**FROM: VICKI EVANS, FINANCE DIRECTOR**

**DATE: 10/9/2022**

**SUBJECT: HEALTH INSURANCE FUND REIMBURSEMENT ELIGIBILITY**

#### **BACKGROUND**

Blue Cross Blue Shield has been periodically providing staff with a claims report that shows total costs of paid COVID-19 claims broken down by testing, vaccinations, and treatment. There is an opportunity to reimburse the County's Health Insurance Fund from the ARPA fund based on the report of actual claims paid to date of approximately \$1.2 million. This reimbursement could partially offset the impact COVID has had on overall claims increases (directly and indirectly) over the past two years. Preliminary reports show a decrease to fund balance of the Health Insurance fund of \$3.1 million for the fiscal year ended June 30, 2022.

Each of the three service types (testing, vaccination, treatment) are assigned to an ARPA allowable expenditure category and are cited as an eligible use, and is allowed per the Final Rule and state statute. This information has been verified by the County Attorney's Office.

#### **RECOMMENDATION / PROPOSED ACTION**

No action is required. For discussion and informational purposes only.



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**TO: AMERICAN RESCUE PLAN COMMITTEE**

**FROM: TYE VAUGHT, CHIEF OF STAFF**

**DATE: 10/7/2022**

**SUBJECT: PROVISION FOR RESTORING PRE-PANDEMIC EMPLOYMENT  
LEVELS**

#### **BACKGROUND**

The United States Department of the Treasury's ARPA final rule provides two options to restore pre-pandemic employment, depending on the recipient's needs. Under the first and more straightforward option, recipients may use SLFRF funds to rehire staff for pre-pandemic positions that were unfilled or eliminated due to the pandemic without further analysis. Under the second option, the final rule allows recipients to hire above the prepandemic baseline by adjusting the pre-pandemic baseline for historical growth in public sector employment over time and flexibility in hiring roles. Recipients may choose between these options but cannot use both.

Staff recommends that the ARP Committee consider Option 2. There are four steps needed to utilize this option.

- Step One: Identify the recipients' budgeted FTE level **on January 27, 2020**. This includes all budgeted positions, filled and unfilled. This is called the pre-pandemic baseline.
- Step Two: Multiply the prepandemic baseline by 1.075 (1 + adjustment factor). This is called the adjusted pre-pandemic baseline.
- Step Three: Identify the recipient's budgeted FTE level **on March 3, 2021**, which is the beginning of the performance period for SLFRF funds. This is called the actual number of FTEs.
- Step Four: Subtract the actual number of FTEs from the adjusted prepandemic baseline to calculate the number of FTEs hired and covered by SLFRF funds.

Recipients may use SLFRF funds to cover payroll and covered benefit costs obligated by December 31, 2024, and expended by December 31, 2026, up to the number of FTEs calculated in Step Four, consistent with the Uniform Guidance's Cost Principles at 2 CFR part 200 Subpart E. Recipients may only use SLFRF funds for additional FTEs hired over the March 3, 2021 level of budgeted FTEs.

Staff recommends using the pre-pandemic employment funding category to draw down ARPA funds for ARPA projects without the added reporting requirements and limitations imposed the federal guidance. Staff believes that the amount of funds that can be supplanted opens up a very significant opportunity that can potentially free up dollars into the \$30+ million range to use for County ARPA priorities without the stringent federal limitations.

Staff has worked with North Carolina Association of County Commissioners and the UNC School of Government partners to gain feedback on this potential initiative.

#### **RECOMMENDATION / PROPOSED ACTION**

No action is required for discussion and informational purposes only