

---

**AGENDA**  
**AMERICAN RESCUE PLAN (ARP) COMMITTEE**  
**JUDGE E. MAURICE BRASWELL CUMBERLAND COUNTY**  
**COURTHOUSE- ROOM 564**  
**SPECIAL MEETING**  
**NOVEMBER 4, 2022**  
**9:00 AM**

---

1. CALL TO ORDER
2. APPROVAL OF AGENDA
3. APPROVAL OF MINUTES
  - A. September 6, 2022 ARP Committee Special Meeting Minutes
4. ITEMS OF BUSINESS
  - A. Small Business Economic Assistance Program
  - B. Consideration of ARPA Policy Revisions
  - C. Consideration of Policy No. 3-13: Policy for Records Retention of ARPA/SLFR Funds
  - D. Consideration of Policy No. 10-2.11: Nonprofit Fiscal Recovery and Assistance Program
  - E. ARPA Grant Project Ordinance Amendment B230001
5. UPDATES
  - A. Proposed Allocations to Cape Fear Valley Health and Fayetteville State University
6. OTHER ITEMS
  - A. ARPA Quarterly Project and Expenditure Report as of September 30, 2022
7. ADJOURN



## **AMERICAN RESCUE PLAN**

### **MEMORANDUM FOR AMERICAN RESCUE PLAN COMMITTEE AGENDA OF NOVEMBER 4, 2022**

**TO: AMERICAN RESCUE PLAN COMMITTEE**

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

**DATE: 10/28/2022**

**SUBJECT: SMALL BUSINESS ECONOMIC ASSISTANCE PROGRAM**

#### **BACKGROUND**

After successfully completing steps 1-4 of the Small Business Economic Assistance Program's application process, staff recommends approval of these small businesses to receive Coronavirus State and Local Fiscal Recovery Funds. Each application has been reviewed and has submitted appropriate documents or records that show that the business possesses a reasonable capacity to use the recommended award in a fiscally responsible way and perform a public purpose. Staff's recommendations total \$643,085 and are contingent on the successful execution of a contract with the County. Staff will conduct site visits to confirm each business's operating address and ensure NC Secretary of State filings were current for corporations and limited liability companies.

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

Staff requests that these funding recommendations be forwarded to the November 10, 2022, Board of Commissioners Agenda Session as an Item of Consideration.

#### **ATTACHMENTS:**

Description	Type
Small Business Application Funding Recommendations	Backup Material

**ARP SMALL BUSINESS ECONOMIC ASSISTANCE PROGRAM**  
**ARP Staff Committee Funding Recommendations**  
**As of October 28, 2022**

**Grand Total Funding Recommendations: \$643,085**

**4MB Inc DBA Hilton Garden Inn – Fayetteville/Fort Bragg**

- The Hilton Garden Inn has operated in Cumberland County since 2002. The business provides lodging, food, beverages, and a meeting space. Food and beverage operations, as well as meeting rooms, were closed due to COVID-19 restrictions. The business experienced a reduction in customers due to limited travel.
- Prior Funding: \$309,600
- Requested: \$50,000
- Recommendation: \$50,000 Payroll and Utilities to hire and/or retain 24 full-time LMI employees

**American Hospitality Inc DBA Holiday Inn Express Hotel & Suites**

- Holiday Inn Express (Skibo Rd.) has operated in Cumberland County since 1996. The business provides lodging, food, beverages, and a conference center. Food and beverage operations, as well as meeting rooms, were closed due to COVID-19 restrictions. The business experienced a reduction in customers due to limited travel to essential people only.
- Prior Funding: \$211,700
- Requested: \$50,000
- Recommendation: \$50,000 Payroll and Utilities to hire and/or retain 11 full-time LMI employees

**Charisma Beauty Institute**

- Charisma Beauty Institute has operated in Cumberland County since 2018. The business is a cosmetology school located in Fayetteville that offers students a licensure in the fields of Cosmetology, Esthetics, Natural Hair, and Nail Technology. The school has maintained a Grade A and 100% exam passing rate and job placement rate for all students. The business had to close their cosmetology school for four months because of the mass shutdown due to COVID-19. Student enrollment declined after reopening. Some students were unable to maintain their tuition expenses and the business worked with these students to keep them enrolled.
- Prior Funding: None
- Requested: \$50,000
- Recommendation: \$41,400 Occupancy to hire and/or retain 3 full-time LMI employees

**ChrisJoele Couture, LLC**

- ChrisJoele Couture has operated in Cumberland County since 2014. The business has had an online presence but expanded its operations to brick and mortar during the pandemic. The business is a women's boutique offering a unique and exclusive line of wardrobe. The business hosts the Success Closet, which works with organizations such as Fayetteville Urban Ministries to dress those in need at no charge for job interviews and job placement. The business is also a member of the Greater Fayetteville Chamber of Commerce. The business experienced a reduction in staff and revenues during the pandemic.
- Prior Funding: \$18,000
- Requested: \$24,000
- Recommendation: \$15,600 Occupancy to hire and/or retain 3 full-time LMI employees

### **Exclusive Hair Designs Salon & Spa DBA Tonya L. Council**

- Exclusive Hair Designs Salon has operated in Cumberland County since 2016. The business allows independent contractors (cosmetologists) a place to provide hair services (i.e. relaxer, coloring, cuts, etc.) and also provides hair products. The business claims a loss of stylists after closing down for months while still having to pay bills and lease. The business also had to purchase additional safety products (i.e., sanitizers, sprayers, masks, etc.) to appropriately space clients and provide social distancing measures.
- Prior Funding: \$50,000
- Requested: \$50,000
- Recommendation: \$23,837 Occupancy to retain 1 full-time LMI employee

### **Gateway Communications PLLC DBA Gateway Tutoring**

- Gateway Communications PLLC has operated in Cumberland County since 2016. The business is a speech therapy company that provides speech therapy to children in their office setting. The business also provides private 1-on-1 tutoring in math, ELA, EOG prep, and Kindergarten readiness to school aged children. The business states that in-person speech therapy and tutoring is essential to their operations. In 2020, the clinic had to shut down for three months and reopened to virtual services. The business obtained more office space in March and April of 2021, but lost employees. The business states that they plan to hire three teachers by Spring 2022 and provide after school tutoring to about 15 children.
- Prior Funding: \$38,504.03
- Requested: \$21,348
- Recommendation: \$21,348 Occupancy to hire and/or retain 11 full-time LMI employees

### **Got Chu Faded Barbershop**

- Got Chu Faded Barbershop has operated in Cumberland County since 2017. The business provides haircuts, straight razor, and wet shaves. In March 2020, all barbershops, salons, and massage businesses were ordered to shut down amid the COVID-19 outbreak. Applicant states that lease payments still had to be made monthly to keep the business from going under. All employees (besides the owner) are self-employed contractors paying a booth rent.
- Prior Funding: \$855
- Requested: \$24,700
- Recommendation: \$24,700 Payroll & Occupancy to retain 1 full-time LMI employee

### **Hardy Group Consulting LLC**

- Hardy Group Consulting LLC has operated in Cumberland County since 2019. The business is a minority woman-owned consulting firm that services citizens and small business owners with education and marketing plans. The business had trouble maintaining capacity during the pandemic.
- Prior Funding: \$6,250
- Requested: \$15,000
- Recommendation: \$15,000 Payroll to hire and/or retain 3 full-time LMI employees

### **Heart & Soul - Soul Food and Lounge LLC**

- Heart & Soul - Soul Food and Lounge LLC has operated in Cumberland County since 2019. The business is a family-owned soul food restaurant that specializes in soul food cuisine. Business started in November of 2019 but was unable to open until July 2020 due to the inability to get permits and licenses. Restrictions upon opening such as no dine-ins and early closing also caused the business to close several times due to short staff and business decline.
- Prior Funding: None
- Requested: \$45,300
- Recommendation: \$45,300 Occupancy to hire and/or retain 4 LMI employees

### **Hidden Jewel Salon**

- Hidden Jewel Salon has operated in Cumberland County since 2019. The business is a beauty salon and provides esthetic services. The business was shut down due to the stay-at-home order implemented by the Governor. The business lost 3 booths and lost revenue due to COVID-19 safety precaution modifications. The business had to reduce the number of contracted practitioners from 7 to 4 and owner states that they used personal income to pay all rents for remaining stylist so they could return to work.
- Prior Funding: None
- Requested: \$8,700
- Recommendation: \$8,400 Occupancy to retain 1 full-time LMI employee

### **HMM Legacy Inc DBA Springhill Suites - Fayetteville/Fort Bragg**

- Springhill Suites - Fayetteville/Fort Bragg has operated in Cumberland County since 2017. The business provides lodging, food and beverage services, and meeting spaces. The business states that food and beverage operations, as well as meeting rooms, were closed due to COVID-19 restrictions. The business also states that travel was limited to essential people only so their revenues were negatively affected.
- Prior Funding: \$254,800
- Requested: \$50,000
- Recommendation: \$50,000 Payroll and Utilities to hire and/or retain 13 full-time LMI employees

### **LegaC Remodeling & Home Improvement, LLC**

- LegaC Remodeling & Home Improvement, LLC has operated in Cumberland County since 2018. The business specializes in home repair and improvement. The business owner is a certified energy auditor, quality control inspector, building analyst professional, lead based renovator, and is also OSHA certified. Due to the pandemic the business owner has not been successful in hiring employees and has been completing projects on his own.
- Prior Funding: \$18,500
- Requested: \$50,000
- Recommendation: \$15,000 Payroll to retain 1 full-time LMI employee

**Lifespan ABA, Inc.**

- Lifespan ABA, Inc has operating in Cumberland County since 2013. The business uses evidence-based practices to facilitate the teaching of individuals diagnosed with autism spectrum disorder. The business lost approximately 20% of its staff and struggled to maintain remaining staff by implementing nontraditional incentives.
- Prior Funding: \$234,763
- Requested: \$50,000
- Recommendation: \$50,000 Occupancy, Payroll, and COVID-19 Prevention to hire and/or retain 3 full-time LMI employees

**LL&M Inc**

- LL&M Inc has operated Burney's Sweets and More of Fayetteville in Cumberland County since 2016. The business serves specialty baked goods, cakes, cookies, pies, and are most known for their fried glazed croissants. The business suffered a reduction in staff at the beginning of the pandemic. The business is in the process of rebuilding staff levels.
- Prior Funding: \$94,823
- Requested: \$40,000
- Recommended: \$40,000 Payroll and Occupancy to hire and/or retain 6 full-time LMI employees

**Nuvision Home Care Inc.**

- Nuvision Home Care Inc. has operated in Cumberland County since 2011. The business specializes in home health care and employees home health aids to support clients in their homes. During the pandemic the business struggled to maintain adequate staffing and relied on a reduced staff to maintain clients.
- Prior Funding: None
- Requested: \$10,000
- Recommendation: \$10,000 Payroll to retain 3 full-time LMI employees

**Sunlight Behavior Center, Inc.**

- Sunlight Behavior Center, Inc has operated in Cumberland County since 2003. The business is a 24-hour mental health level 3 residential group home for at-risk boys aged 8-17. The business experienced a reduction in capacity during to pandemic due to requirements and health & safety concerns.
- Prior Funding: \$49,000
- Requested: \$50,000
- Recommendation: \$50,000 Payroll to hire and/or retain 4 full-time LMI employees

**The Cotton Law Firm, PLLC**

- The Cotton Law Firm, PLLC has operated in Cumberland County since 2010. The business is a law firm that serves clients in Cumberland County in traffic matters & DMV hearings, criminal defense, estate planning and uncontested divorces. The business lost workers during the pandemic and has worked to rebuild capacity.
- Prior Funding: \$188,500
- Requested: \$50,000
- Recommendation: \$50,000 Payroll to hire and/or retain 10 full-time LMI employees

**Asja Davis DBA The Maintenance Crew**

- The Maintenance Crew has operated in Cumberland County since 2020. The business is skilled in several areas: Painting, Pressure Washing, Drywall, Concrete & Masonry, Light Remodeling, Cleaning, Hauling, Debris Removal, and Landscaping. During the pandemic the business expanded their services to maintain employees by providing cleaning and sanitation services as well, but continued to struggle to maintain capacity.
- Prior Funding: \$4,000
- Requested: \$50,000
- Recommendation: \$20,000 to retain 1 full-time LMI employee

**United Residential Services of North Carolina, Inc.**

- United Residential Services of North Carolina, Inc. has operated in Cumberland County since 2006. United Residential Services of North Carolina, Inc. is a provider of 24-hour residential treatment and services for persons living with Intellectual /developmental disabilities. During the pandemic the business lost 25% of its existing staff.
- Prior Funding: \$56,000
- Requested: \$50,000
- Recommendation: \$50,000 Payroll to hire and/or retain 10 full-time LMI employees

**Yatringela Station Lash & Brow Bar LLC**

- Yatringela Station Lash & Brow Bar LLC has operated in Cumberland County since 2019. The business serves all populations providing eyelash, eyebrow, body waxing, and skincare services. The business closed in March 2020 due to Governor Cooper's mandate and has worked to restore staffing levels.
- Prior Funding: \$10,000
- Requested: \$25,000
- Recommendation: \$12,500 Occupancy to retain and/or hire 2 full-time LMI employees



## **AMERICAN RESCUE PLAN**

### **MEMORANDUM FOR AMERICAN RESCUE PLAN COMMITTEE AGENDA OF NOVEMBER 4, 2022**

**TO: AMERICAN RESCUE PLAN COMMITTEE**

**FROM: VICKI EVANS, FINANCE DIRECTOR**

**DATE: 10/28/2022**

**SUBJECT: CONSIDERATION OF ARPA POLICY REVISIONS**

#### **BACKGROUND**

Due to recent staffing changes, responsibilities specifically assigned to the ARP Program Manager within policy language has been expanded to now include the Chief of Staff or other designee as assigned by the County Manager. Revising the language in this manner ensures coverage in the event future position changes occur.

All proposed changes are shown in red font as follows:

- The footer on each policy has changed to show the proposed approval date of November 21, 2022
- Policy No. 3-9: Policy for Eligibility Determination for Expenditures of ARPA/CSLFRF - see page 3
- Policy No. 3-12: Policy for Subaward & Monitoring for Expenditures of ARPA/CSLFRF - see pages 5, 7 and 9

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

Management recommends forwarding this item to the Board of Commissioner's November 10, 2022 Agenda Session with the following action:

Approve the recommended revisions to Policy No. 3-9: Policy for Eligibility Determination for Expenditures of ARPA/CSLFRF and Policy No. 3-12: Policy for Subaward & Monitoring for Expenditures of ARPA/CSLFRF.

#### **ATTACHMENTS:**

Description

Policy No. 3-9 Policy for Eligibility Determination

Type

Backup Material



**Cumberland County**  
**Section I – Board Approved Policies**  
**Subsection 3 – Cumberland County Financial/Audit**  
**Policy No. 3-9: Policy for Eligibility Determination for Expenditures of American**  
**Rescue Plan Act Coronavirus State and Local Fiscal Recovery Funds**  
**(ARPA/CLSFRR)**

## **1.0 PURPOSE**

Cumberland County has received an allocation of funds from the Coronavirus State and Local Fiscal Recovery Funds of H.R. 1319 American Rescue Plan Act of 2021 (ARPA/CLSFRR). A separate ARPA fund has been established through an ARPA Grant Project Ordinance to budget and account for receipt and use of the funds.

## **2.0 SCOPE**

These funds may be used for the following categories of expenditures, to the extent authorized by state law.

1. Support public health expenditures, by funding COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff;
2. Address negative economic impacts caused by the public health emergency, including economic harms to workers, households, small businesses, impacted industries, and the public sector;
3. Provide services to disproportionately impacted communities to include providing housing support, healthy childhood environments, social, emotional and mental health services;
4. Provide premium pay for essential workers offering additional support to those who have borne and will bear the greatest health risks because of their service in critical infrastructure sectors;
5. Invest in water, sewer, and broadband infrastructure, making necessary investments to improve access to clean drinking water, support vital wastewater and stormwater infrastructure, and to expand access to broadband internet.
6. Revenue replacement; and,
7. Administrative expenses.

These funds are subject to the provisions of the federal Uniform Grant Guidance, 2 CFR Part 200 (UG), as provided in the [Assistance Listing](#); and the [Compliance and Reporting Guidance for the State and Local Fiscal Recovery Funds](#) which dictate implementation of the ARP/CLSFRR award terms and compliance requirements. Cumberland County must develop and implement effective internal controls to ensure that funding decisions under the SLFRR award constitute eligible uses of funds, and document determinations.

## **3.0 STATEMENT OF THE POLICY**

Cumberland County hereby adopts and enacts the following Eligibility Determination Policy for the expenditure of ARPA/CSLFRF funds.

## **PERMISSIBLE USES OF ARP/CSLFRF FUNDING**

US Treasury issued its **Final Rule** regarding use of ARPA funds on January 6, 2022. (The Final Rule is effective as of April 1, 2022. Until that date, a local government may proceed under the regulation promulgated by US Department of the Treasury in its **Interim Final Rule** or the Final Rule.) The Final Rule (and the Interim Final Rule) identify permissible uses of ARP/CSLFRF funds and certain limitations and process requirements. Cumberland County must allocate ARP/CSLFRF funds no later than December 31, 2024 and disburse all funding no later than December 31, 2026. Failure of an entity to expend all funds by December 31, 2026 will result in forfeiture of ARPA funds.

ARP/CSLFRF funds may be used for projects within the following categories of expenditures:

1. Support COVID-19 public health expenditures, by funding COVID-19 mitigation and prevention efforts, medical expenses, behavioral healthcare, preventing and responding to violence, and certain public health and safety staff;
2. Address negative economic impacts caused by the public health emergency, including economic harms to workers, households, small businesses, non-profits, impacted industries, and the public sector;
3. Replace lost public sector revenue, using this funding to provide government services to the extent of the reduction in revenue experienced due to the pandemic;
4. Provide premium pay for essential workers, offering additional support to those who have borne and will bear the greatest health risks because of their service in critical infrastructure sectors; and
5. Invest in water, sewer, and broadband infrastructure, making necessary investments to improve access to clean drinking water, support vital wastewater and stormwater infrastructure, and to expand access to broadband internet.

## **PROHIBITED USES OF ARPA FUNDING**

The ARP/CSLFRF and US Treasury's Final Rule prohibit certain uses of ARP/CSLFRF funds. Specifically, ARP/CSLFRF funds may not be used for projects within the following categories of expenditures:

1. To make a deposit into a pension fund that constitutes an extraordinary payment of an accrued, unfunded liability (Note that routine contributions as part of a payroll obligation for an eligible project are allowed.);
2. To borrow money or make debt service payments;
3. To replenish rainy day funds or fund other financial reserves;
4. To satisfy an obligation arising from a settlement agreement, judgment, consent decree, or judicially confirmed debt restricting in a judicial, administrative, or regulatory proceeding (There is an exception to this prohibition if the settlement or judgment requires Cumberland County to provide services to respond to the COVID-19 public health emergency or its negative economic impacts or to provide government services, then the costs of those otherwise ARP/CSLFRF-eligible projects are allowed.);
5. For a project that includes a term or condition that undermines efforts to stop the spread of COVID-19 or discourages compliance with recommendations and guidelines in CDC guidance for stopping the spread of COVID-19;

6. In violation of the conflict-of-interest requirements imposed by the award terms and 2 CFR 200.318(c).
7. For any expenditure that would violate other applicable federal, state, and local laws and regulations.

Cumberland County and any of its contractors or subrecipients, shall not expend any ARP/CSLFRF funds for these purposes.

## **PROCEDURES FOR PROJECT APPROVAL *(updated on August 19, 2022)***

1. Requests for ARP/CSLFRF funding eligibility determination, must be documented on the Cumberland County ARPA Project Funding Eligibility Determination Form which shall include all the following:
  - a. Brief description of the project
  - b. Identification of ARP/CSLFRF Expenditure Category (EC)
  - c. Required justifications for applicable projects, according to the requirements in the Final Rule.
  - d. Proposed budget, broken down by cost item, in accordance with Cumberland County's Allowable Cost Policy.
  - e. A project implementation plan and estimated implementation timeline (All ARP/CSLFRF funds must be fully obligated by December 31, 2024, and fully expended by December 31, 2026.)
2. Eligibility Determination forms must be completed for projects being considered for ARP/SLFRF funding.
3. If a proposal does not meet the required criteria as documented on the form, the requesting party may be requested to revise and resubmit.
4. The Eligibility Determination Form will be reviewed by the County Attorney's Office for ARP/CSLFRF compliance and by the ARPA Finance Accountant for verification of budgetary compliance and vendor setup information required to establish a formal agreement with Cumberland County.
5. Following approval, employees responsible for implementing the project must ensure actual obligations and expenditures conform to the approved project budget. Any changes in project budgets must be approved in advance and may require a budget amendment before proceeding. Any delay in the projected project completion date shall be communicated to the ARPA Program Manager, **Chief of Staff, or other designee assigned by the County Manager**, immediately.
6. The ARPA Finance Accountant must collect and document required information for each EC, for purposes of completing the required Project and Expenditure reports.
7. No ARP/CSLFRF project expenditures may be obligated or expended before the Board of County Commissioners approves the use within the grant project budget ordinance.
8. For audit purposes, the ARPA Finance Accountant must maintain a file containing project requests and approvals, all supporting documentation, and financial information at least until December 31, 2031.

**Cumberland County**  
**Section I – Board Approved Policies**  
**Subsection 3: Cumberland County Financial / Audit**  
**Policy No. 3-12: Policy for Subaward & Monitoring for Expenditures of American Rescue**  
**Plan Act Coronavirus State and Local Fiscal Recovery Funds (ARPA/CSLFRF)**

**1.0 PURPOSE**

Cumberland County has received an allocation of funds from the Coronavirus State and Local Fiscal Recovery Funds of H.R. 1319 American Rescue Plan Act of 2021 (ARPA/CSLFRF).

**2.0 SCOPE**

These funds may be used for the following categories of expenditures, to the extent authorized by state law.

1. Support public health expenditures, by funding COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff;
2. Address negative economic impacts caused by the public health emergency, including economic harms to workers, households, small businesses, impacted industries, and the public sector;
3. Provide services to disproportionately impacted communities to include providing housing support, healthy childhood environments, social, emotional and mental health services;
4. Provide premium pay for essential workers offering additional support to those who have borne and will bear the greatest health risks because of their service in critical infrastructure sectors;
5. Invest in water, sewer, and broadband infrastructure, making necessary investments to improve access to clean drinking water, support vital wastewater and stormwater infrastructure, and to expand access to broadband internet.
6. Revenue replacement; and,
7. Administrative expenses.

These funds are subject to the provisions of the federal Uniform Grant Guidance, 2 CFR Part 200 (UG), as provided in the Assistance Listing (21.027). ARP/CSLFRF rules authorize the Cumberland County to enter subaward agreements with subrecipients to assist in carrying out the terms of the ARP/CSLFRF. When Cumberland County enters into a subaward as a subrecipient, it acts as a pass-through entity, as described in 2 CFR 200.1, and the Compliance and Reporting Guidance for the State and Local Fiscal Recovery Funds (v.3.0 February 2022) provides, in relevant part:

*Subrecipient Monitoring: SLFRF recipients that are pass-through entities as described under 2 CFR 200.1 are required to manage and monitor their subrecipients to ensure compliance with requirements of the SLFRF award pursuant to 2 CFR 200.332 regarding requirements for pass-through entities.*

*First, your organization must clearly identify to the subrecipient: (1) that the award is a subaward of SLFRF funds; (2) any and all compliance requirements for use of SLFRF funds; and (3) any and all reporting requirements for expenditures of SLFRF funds.*

*Next, your organization will need to evaluate each subrecipient's risk of noncompliance based on a set of common factors. These risk assessments may include factors such as prior experience in managing Federal funds, previous audits, personnel, and policies or procedures for award execution and oversight. Ongoing monitoring of any given subrecipient should reflect its assessed risk and include monitoring, identification of deficiencies, and follow-up to ensure appropriate remediation.*

*Accordingly, your organization should develop written policies and procedures for subrecipient monitoring and risk assessment and maintain records of all award agreements identifying or otherwise documenting subrecipients' compliance obligations.*

*Recipients should note that non-entitlement units of local government (NEUs) are not subrecipients under the SLFRF program. They are SLFRF recipients that will report directly to Treasury.*

*Recipients should also note that subrecipients do not include individuals and organizations that received SLFRF funds as end users to respond to the negative economic impacts of COVID-19 on these organizations. Such individuals and organizations are beneficiaries and not subject to audit pursuant to the Single Audit Act and 2 C.F.R. Part 200, Subpart F.*

*Separately or in addition, many recipients may choose to provide a subaward (e.g., via contract or grant) to other entities to provide services to other end—users. For example, a recipient may provide a grant to a nonprofit to provide homeless services to individuals experiencing homelessness. In this case, the subaward to a nonprofit is based on the services that the Recipient intends to provide, assistance to households experiencing homelessness, and the nonprofit is serving as the subrecipient, providing services on behalf of the recipient. Subrecipients are subject to audit pursuant to the Single Audit Act and 2 CFR part 200, subpart F regarding audit requirements.*

*In addition, Subpart D of the UG dictates subrecipient and award requirements for expenditure of ARP/CSLFRF funds. 2 CFR 200.332 states that:*

*All pass-through entities must:*

*(a) Ensure that every subaward is clearly identified to the subrecipient as a subaward and includes the [required] information at the time of the subaward . . . When some of [the required information] is not available, the pass-through entity must provide the best information available to describe the Federal award and subaward.*

*(b) Evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring.*

*(c) Consider imposing specific subaward conditions upon a subrecipient if appropriate as described by 2 CFR 200.208.*

*(d) Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved.*

*(e) Depending upon the pass-through entity's assessment of risk posed by the subrecipient, [specific] monitoring tools may be useful for the pass-through entity to ensure proper accountability and compliance with program requirements an achievement of performance goals.*

*(f) Verify that every subrecipient is audited as required by [2 CFR 200, Subpart F] when it is expected that the subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in 2 CFR 200.501.*

*(g) Consider whether the results of the subrecipient's audits, on-site reviews, or other monitoring indicate conditions that necessitate adjustments to the pass-through entity's own records.*

*(h) Consider taking enforcement action against noncompliant subrecipients as described in 2 CFR 200.339 and in program regulations.*

### **3.0 STATEMENT OF THE POLICY**

Cumberland County hereby adopts and enacts the following Subaward and Monitoring Policy for the expenditure of ARPA/CSLFRF funds.

#### **SUBAWARD AND MONITORING POLICY FOR EXPENDITURE OF AMERICAN RESCUE PLAN ACT OF 2021 CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS**

##### **I. POLICY OVERVIEW**

Title 2 U.S. Code of Federal Regulations Part 200, (2 CFR 200) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, commonly called Uniform Guidance (UG), specifically Subpart D, defines requirements of pass-through entities initiating subaward agreements with Coronavirus State and Local Fiscal Recovery Funds of H.R. 1319 American Rescue Plan Act of 2021 (ARP/CSLFRF). Cumberland County (hereinafter [COUNTY]) shall adhere to all applicable subaward and monitoring requirements governing the use of ARP/CSLFRF. This policy establishes procedures for classifying, making an award to, and monitoring a sub-recipient consistent with ARP/CSLFRF grant award terms and all applicable federal regulations in the UG.

Responsibility for following these guidelines lies with Cumberland County's ARPA Staff Committee who are charged with the administration and financial oversight of the ARP/CSLFRF funds.

##### **II. DEFINITIONS**

The definitions in 2 CFR 200.1 apply to this policy, including the following:

Contract: for the purpose of Federal financial assistance, a legal instrument by which a recipient or subrecipient purchases property or services needed to carry out the project or program under a federal award. For additional information on subrecipient and contractor determinations, see § 200.331. See also the definition of subaward in this section.

Contractor: an entity that receives a contract as defined in this section.

Pass-through Entity: a non-Federal entity that provides a subaward to a subrecipient to carry out part of a federal program. The COUNTY is the pass-through entity when it awards a subaward to a subrecipient.

Recipient: an entity, usually but not limited to non-Federal entities that receives a federal award directly from a federal awarding agency. The term recipient does not include subrecipients or individuals that are beneficiaries of the award.

Subaward: an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a federal award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a federal program. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract.

Subrecipient: an entity, usually but not limited to non-Federal entities, that receives a subaward from a pass-through entity to carry out part of a federal award; but does not include an individual that is a beneficiary of such award. A subrecipient may also be a recipient of other Federal awards directly from a federal awarding agency.

### III. SUBRECIPIENT CLASSIFICATION

The COUNTY must make a case-by-case determination whether an agreement with another government entity or private entity, that is not a beneficiary, casts the party receiving the funds in the role of a subrecipient or contractor. 2 CFR 200.331.

A subaward is for the purpose of carrying out a portion of a federal award and creates a federal assistance relationship with the subrecipient. Characteristics which support the classification of the non-Federal entity as a subrecipient include when the non-Federal entity:

- (1) Determines who is eligible to receive what federal assistance;
- (2) Has its performance measured in relation to whether objectives of a federal program were met;
- (3) Has responsibility for programmatic decision-making;
- (4) Is responsible for adherence to applicable Federal program requirements specified in the Federal award; and
- (5) In accordance with its agreement, uses the federal funds to carry out a program for a public purpose specified in authorizing statute, as opposed to providing goods or services for the benefit of the pass-through entity.

A contract is for the purpose of obtaining goods and services for the non-Federal entity's own use and creates a procurement relationship with the contractor. Characteristics indicative of a procurement relationship between the non-federal entity and a contractor are when the contractor:

- (1) Provides the goods and services within normal business operations;
- (2) Provides similar goods or services to many different purchasers;
- (3) Normally operates in a competitive environment;
- (4) Provides goods or services that are ancillary to the operation of the Federal program; and
- (5) Is not subject to compliance requirements of the Federal program as a result of the agreement, though similar requirements may apply for other reasons.

In determining whether an agreement between a pass-through entity and another non-federal entity casts the latter as a subrecipient or a contractor, the substance of the relationship is more important than the form of the agreement. All the characteristics listed above may not be present in all cases, and the pass-through entity must use judgment in classifying each agreement as a subaward or a procurement contract.

The COUNTY will use the above criteria to determine if an agreement involving the expenditure of ARP/CSLFRF is a contract or subaward. The County Attorney's Office will document the determination in the Subrecipient or Contractor Classification Checklist in Appendix 1. (Appendix 1: Subrecipient or Contractor Classification Checklist.)

If the agreement involves a contractor relationship (including a contract for services), the COUNTY must follow its UG Procurement Policy when entering into a contract.

If the agreement involves a subrecipient relationship, the COUNTY must proceed to Sections IV. through VII. below.

#### IV. ASSESSMENT OF RISK

Before engaging in a subaward, the COUNTY must evaluate a subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward to determine whether to award the subaward and the appropriate subrecipient monitoring.

Finance Department staff will conduct the risk assessment, which will include consideration of the following factors:

- (1) The subrecipient's prior experience with the same or similar subawards;
- (2) The results of previous audits including whether or not the subrecipient receives a Single Audit in accordance with 2 CFR 200 Subpart F and the extent to which the same or similar subaward has been audited as a major program;
- (3) Whether the subrecipient has new personnel or new or substantially changed systems; and

(4) The extent and results of federal awarding agency monitoring (e.g., if the subrecipient also receives Federal awards directly from a federal awarding agency). 2 CFR 200.332(b).

The results of the risk assessment must be documented in the Subrecipient Assessment of Risk form in Appendix 2 and will be used to dictate the types and degree of subrecipient monitoring. (Appendix 2: Subrecipient Assessment of Risk) The COUNTY will assign an overall risk level to the subrecipient indicating the following:

Low Risk / Moderate Risk / High Risk

There is a low risk that the subrecipient will fail to meet project or programmatic objectives or incur significant deficiencies in financial, regulatory, reporting, or other compliance requirements. There is moderate risk that the subrecipient will fail to meet project or programmatic objectives or incur significant deficiencies in financial, regulatory, reporting, or other compliance requirements. There is high risk that the subrecipient will fail to meet project or programmatic objectives or incur significant deficiencies in financial, regulatory, reporting, or other compliance requirements.

If a proposed subrecipient is deemed high risk, the ARPA Program Manager, **Chief of Staff, or other designee assigned by the County Manager** must provide written justification to proceed with the subaward. The justification must be approved by the County Attorney's Office.

## V. SUBRECIPIENT MONITORING

The COUNTY will develop and implement a subrecipient monitoring plan for the particular subaward based on the findings of the Subrecipient Assessment of Risk. According to 2 CFR 200.332(d). The monitoring plan must involve:

- (1) Reviewing financial and performance reports required by the pass-through entity.
- (2) Following-up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the subrecipient from the pass-through entity detected through audits, on-site reviews, and written confirmation from the subrecipient, highlighting the status of actions planned or taken to address Single Audit findings related to the particular subaward.
- (3) Issuing a management decision for applicable audit findings pertaining only to the Federal award provided to the subrecipient from the pass-through entity as required by 2 CFR 200.521.
- (4) The pass-through entity is responsible for resolving audit findings specifically related to the subaward and not responsible for resolving crosscutting findings. If a subrecipient has a current Single Audit report posted in the Federal Audit Clearinghouse and has not otherwise been excluded from receipt of Federal funding (e.g., has been debarred or suspended), the pass-through entity may rely on the subrecipient's cognizant audit agency or cognizant oversight agency to perform audit follow-up and make management decisions related to cross-cutting findings in accordance with section 2 CFR 200.513(a)(3)(vii). Such reliance does not eliminate the responsibility of the pass-through entity to issue subawards that conform to agency and award-specific requirements, to manage risk through ongoing subaward monitoring, and to monitor the status of the findings that are specifically related to the subaward.

The COUNTY's monitoring plan will vary based on the overall subrecipient risk assessment as low risk, medium risk, or high risk, detailed as follows:

Subrecipient Deemed Low Risk	Subrecipient Deemed Medium Risk	Subrecipient Deemed High Risk
<ul style="list-style-type: none"> <li>• Payment validations (monthly)</li> <li>• Report reviews (quarterly)</li> <li>• Desk reviews (at least once per year and more frequently if requested by [County/City/Town/Village] or subrecipient)</li> <li>• Onsite reviews (upon request of [County/City/Town/Village] or subrecipient)</li> <li>• Audit review (yearly)</li> </ul>	<ul style="list-style-type: none"> <li>• More detailed financial reporting</li> <li>• Payment validations (monthly)</li> <li>• Report reviews (bi-monthly)</li> <li>• Desk reviews (within 6 months of project start and every six months thereafter)</li> <li>• Onsite reviews (within 12 months of project start and annually thereafter, or more frequently as requested by [County/City/Town/Village] or subrecipient)</li> <li>• Audit review (yearly)</li> <li>• Procedures engagement (if subrecipient not subject to Single Audit Act; yearly)</li> </ul>	<ul style="list-style-type: none"> <li>• More detailed financial reporting</li> <li>• Compliance training (one-time)</li> <li>• Prior approvals for certain expenditures</li> <li>• Payment validations (monthly)</li> <li>• Report reviews (monthly)</li> <li>• Desk reviews (within 3 months of project start and at least quarterly thereafter)</li> <li>• Onsite reviews (within 6 months of project start and bi-annually thereafter, or more frequently as requested by [County/City/Town/Village] or subrecipient)</li> <li>• Audit review (yearly)</li> <li>• Procedures engagement (if subrecipient not subject to Single Audit Act; yearly)</li> </ul>

**Payment validation:** All subrecipient documentation for project expenditures must be reviewed by the ARPA Finance Accountant for compliance with subaward requirements. Any non-compliant expenditures will be denied and the subrecipient will be provided a reasonable description of the reason for denial and an opportunity to cure the deficiency. For a subrecipient on a reimbursement-based payment structure, the validation will occur before a reimbursement payment is approved. For a subrecipient that received an up-front payment, any funds found to have been expended in violation of the subaward requirements must be repaid to the COUNTY.

**Report review:** A subrecipient must submit quarterly financial and performance reports, based on the schedule set forth in the subaward. The nature and scope of the reports will depend on the project and be spelled out in the subaward. The reports will be reviewed by the ARPA Program Manager, Chief of Staff, or other designee assigned by the County Manager. Any deficiencies or other performance concerns will be addressed with the subrecipient in a timely manner and could trigger additional monitoring requirements or other interventions, as specified in the subaward.

**Desk review:** The COUNTY will conduct a meeting to review the subrecipient's award administration capacity and financial management. The meeting may be held virtually or in person. Topics covered will depend on project scope and subrecipient risk assessment and may include governance, budgeting, accounting, internal controls, conflict of interest, personnel,

procurement, inventory, and record keeping. The COUNTY will produce a report which summarizes the results and any corrective actions if deemed necessary. The report will be shared in a timely manner with the subrecipient.

Onsite review: The COUNTY will conduct an on-site meeting at the subrecipient's location to review the subrecipient's project performance and compliance. Topics covered will depend on project scope and subrecipient risk assessment and may include project procurement, data systems, activity and performance tracking, project reporting, inventory, and software systems. The COUNTY will produce a report which summarizes the results and any corrective actions deemed necessary. The report will be shared in a timely manner with the subrecipient.

Audit review: The COUNTY must verify that every subrecipient is audited as required by 2 CFR 200 Subpart F (Single Audit) when it is expected that the subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in 2 CFR 200.501. The COUNTY must obtain a copy of the subrecipient's Single Audit from the Federal Audit Clearinghouse (FAC). Within six months of the acceptance of the audit report by the FAC, the COUNTY will issue a management decision for any audit findings related to the subaward. The decision will clearly state whether or not the audit finding is sustained, the reasons for the decision, and the expected auditee action to repay disallowed costs, make financial adjustments, or take other action. (The decision will include reference numbers the auditor assigned to each finding.) The decision will provide a timetable for responsive actions by the subrecipient. Prior to issuing the management decision, the COUNTY may request additional information or documentation from the auditee, including a request for auditor assurance related to the documentation, as a way of mitigating disallowed costs.

Procedures engagement: Applicable only to subrecipients who are not subject to the Single Audit Act. An auditor will perform specific procedures and report on findings. The scope must be limited to the following compliance requirements: activities allowed or unallowed; allowable costs/cost principles; eligibility; and reporting. The review will be arranged and paid for by the COUNTY. The COUNTY will verify completion of the procedure's engagement. Within six months of the acceptance of the procedure's engagement report, the COUNTY will issue a management decision for any findings related to the subaward. The decision will provide a timetable for responsive actions by the subrecipient. Prior to issuing the management decision, the COUNTY may request additional information or documentation from the subrecipient, including a request for auditor assurance related to the documentation, as a way of mitigating disallowed costs.

The specific monitoring plan for each subrecipient, including the type and frequency of reviews, will be detailed in the subaward agreement. For all requirements beyond those listed under the Low Risk category above, the COUNTY will notify the subrecipient of the following in the subaward:

- (1) The nature of the additional requirements;
- (2) The reason why the additional requirements are being imposed;
- (3) The nature of the action needed to remove the additional requirement, if applicable;
- (4) The time allowed for completing the actions if applicable; and
- (5) The method for requesting reconsideration of the additional requirements imposed.

To implement the monitoring plan, ARPA Program Manager, **Chief of Staff, or other designee assigned by the County Manager** must perform periodic reviews and document findings in the Subrecipient Monitoring Form (Appendix 3: Subrecipient Monitoring Form).

## VI. SUBRECIPIENT INTERVENTIONS

The COUNTY may adjust specific subaward conditions as needed, in accordance with 2 CFR 200.208 and 2 CFR 200.339. If the COUNTY determines that the subrecipient is not in compliance with the subaward, the COUNTY may institute an intervention. The degree of the subrecipient's performance or compliance deficiency will determine the degree of intervention. All possible interventions must be indicated in the subaward agreement.

The COUNTY must provide written notice to the subrecipient of any intervention within thirty days of the completion of a report review, desk review, onsite review, audit review, or procedures engagement review or as soon as possible after the COUNTY otherwise learns of a subaward compliance or performance deficiency.

Pursuant to 2 CFR 200.208, the written notice must notify the subrecipient of the following related to the intervention:

- (1) The nature of the additional requirements;
- (2) The reason why the additional requirements are being imposed;
- (3) The nature of the action needed to remove the additional requirement, if applicable;
- (4) The time allowed for completing the actions if applicable; and
- (5) The method for requesting reconsideration of the additional requirements imposed.

The following interventions may be imposed on a subrecipient, based on the level of the compliance or performance deficiency:

**Level 1 Interventions.** These interventions may be required for minor compliance or performance issues.

- (1) Subrecipient addresses specific internal control, documentation, financial management, compliance, or performance issues within a specified time period
- (2) More frequent or more thorough reporting by the subrecipient
- (3) More frequent monitoring by the COUNTY
- (4) Required subrecipient technical assistance or training

**Level 2 Interventions.** These interventions may be required, in addition to Level 1 interventions, for more serious compliance or performance issues.

- (1) Restrictions on funding payment requests by subrecipient
- (2) Disallowing payments to subrecipient
- (3) Requiring repayment for disallowed cost items
- (4) Imposing probationary status on subrecipient

**Level 3 Interventions.** These interventions may be required, in addition to Level 1 and 2 interventions, for significant and/or persistent compliance or performance issues.

- (1) Temporary or indefinite funding suspension to subrecipient
- (2) Nonrenewal of funding to subrecipient in subsequent year
- (3) Terminate funding to subrecipient in the current year
- (4) Initiate legal action against subrecipient

## VII. SUBAWARD AGREEMENT & EXECUTION

The subaward agreement will be drafted by the County Attorney's Office using the Subaward Agreement Template. Contract terms and conditions may vary based on several factors, including subrecipient risk assessment findings, as documented in the Subrecipient Assessment of Risk. The County Manager may fully execute the subaward agreement, subject to any required budget amendments by the COUNTY's governing board, preaudit requirements, electronic processing through the COUNTY's financial system.



## **AMERICAN RESCUE PLAN**

### **MEMORANDUM FOR AMERICAN RESCUE PLAN COMMITTEE AGENDA OF NOVEMBER 4, 2022**

**TO: AMERICAN RESCUE PLAN COMMITTEE**

**FROM: VICKI EVANS, FINANCE DIRECTOR**

**DATE: 10/28/2022**

**SUBJECT: CONSIDERATION OF POLICY NO. 3-13: POLICY FOR RECORDS  
RETENTION OF ARPA/SLFR FUNDS**

#### **BACKGROUND**

The Coronavirus Local Fiscal Recovery Funds Award Terms and Conditions and the Compliance and Reporting Guidance set forth the U.S. Department of Treasury's record retention requirements for the ARP/CSLFRF award. The attached policy was developed utilizing a template provided by the UNC School of Government. In general, the county must retain records for five years after the final expenditures have been made. That is currently expected to be no later than December 31, 2031. The policy also assigns responsibility for records retention to the ARPA Finance Accountant.

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

Management recommends forwarding this item to the Board of Commissioner's November 10, 2022 Agenda Session with the following action:

Approve Policy No. 3-13: Policy for Records Retention of ARPA/SLFR Funds.

#### **ATTACHMENTS:**

Description	Type
Policy No. 3-13 Policy for Records Retention of ARP/SLFRF	Backup Material

**Cumberland County**  
**Section I – Board Approved Policies**  
**Subsection 3: Cumberland County Financial / Audit**  
**Policy No. 3-13: Policy for Records Retention of**  
**American Rescue Plan Act Coronavirus State and Local Fiscal Recovery Funds**  
**(ARPA/CSLFRF)**

## **1.0 PURPOSE**

Cumberland County has received an allocation of funds from the Coronavirus State and Local Fiscal Recovery Funds of H.R. 1319 American Rescue Plan Act of 2021 (ARPA/CSLFRF).

## **2.0 SCOPE**

These funds may be used for the following categories of expenditures, to the extent authorized by state law.

1. Support public health expenditures, by funding COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff;
2. Address negative economic impacts caused by the public health emergency, including economic harms to workers, households, small businesses, impacted industries, and the public sector;
3. Provide services to disproportionately impacted communities to include providing housing support, healthy childhood environments, social, emotional and mental health services;
4. Provide premium pay for essential workers offering additional support to those who have borne and will bear the greatest health risks because of their service in critical infrastructure sectors;
5. Invest in water, sewer, and broadband infrastructure, making necessary investments to improve access to clean drinking water, support vital wastewater and stormwater infrastructure, and to expand access to broadband internet.
6. Revenue replacement; and,
7. Administrative expenses.

These funds are subject to the provisions of the federal Uniform Grant Guidance, 2 CFR Part 200 (UG), as provided in the [Assistance Listing](#); and the [Compliance and Reporting Guidance for the State and Local Fiscal Recovery Funds](#).

## **3.0 STATEMENT OF THE POLICY**

Cumberland County (hereinafter COUNTY) hereby adopts and enacts the following ARPA Policy for Records Retention of ARPA/CSLFRF funds.

The Coronavirus Local Fiscal Recovery Funds (“CSLFRF”) [Award Terms and Conditions](#) and the [Compliance and Reporting Guidance](#) set forth the U.S. Department of Treasury’s (“Treasury”) record retention requirements for the ARP/CSLFRF award.

It is the policy of the COUNTY to follow Treasury's record retention requirements as it expends CSLFRF pursuant to the ARP/CSLFRF award. Accordingly, the COUNTY agrees to the following:

- (1) Retain all financial and programmatic records related to the use and expenditure of CSLFRF pursuant to the ARP/CSLFRF award for a period of five (5) years after all CLFRF funds have been expended or returned to Treasury, whichever is later.*
- (2) Retain records for real property and equipment acquired with CSLFRF for five years after final disposition.*
- (3) Ensure that the financial and programmatic records retained sufficiently evidence compliance with section 603(c) of the Social Security Act "ARPA," Treasury's regulations implementing that section, and guidance issued by Treasury regarding the foregoing.*
- (4) Allow the Treasury Office of Inspector General and the Government Accountability Office, or their authorized representatives, the right of timely and unrestricted access to any records for the purpose of audits or other investigations.*
- (5) If any litigation, claim, or audit is started before the expiration of the 5-year period, the records will be retained until all litigation, claims, or audit findings involving the records have been resolved.*

**Covered Records:** For purposes of this policy, records are information, regardless of physical form or characteristics, that are created, received, or retained that evidence the COUNTY's expenditure of CSLFRF funds on eligible projects, programs, or activities pursuant to the ARP/CSLFRF award.

Records that shall be retained pursuant to this policy include, but are not limited to, the following:

- (1) Financial statements and accounting records evidencing expenditures of CSLFRF for eligible projects, programs, or activities.*
- (2) Documentation of rational to support a particular expenditure of CSLFRF (e.g., expenditure constitutes a general government service);*
- (3) Documentation of administrative costs charged to the ARP/CSLFRF award;*
- (4) Procurement documents evidencing the significant history of a procurement, including, at a minimum, the rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for contract cost or price;*
- (5) Subaward agreements and documentation of subrecipient monitoring;*

(6) *Documentation evidencing compliance with the Uniform Guidance property management standards set forth in 2 C.F.R. §§ 200.310-316 and 200.329;*

(7) *Personnel and payroll records for full-time and part-time employees compensated with CSLFRF; and*

(8) *Indirect cost rate proposals*

**Storage:** COUNTY's records must be stored in a safe, secure, and accessible manner. Wherever practicable, such records should be collected, transmitted, and stored in open and machine-readable formats.

**Departmental Responsibilities:** Any department or unit of the COUNTY, and its employees, who are responsible for creating or maintaining the covered documents in this policy shall comply with the terms of this policy. Failure to do so may subject the COUNTY to civil and/or criminal liability. Any employee who fails to comply with the record retention requirements set forth herein may be subject to disciplinary sanctions, including suspension or termination.

The ARPA Finance Accountant is responsible for identifying the documents that the COUNTY must or should retain and arrange for the proper storage and retrieval of records. The ARPA Finance Accountant shall also ensure that all personnel subject to the terms of this policy are aware of the record retention requirements set forth herein.

**Reporting Policy Violations:** The COUNTY is committed to enforcing this policy as it applies to all forms of records. Any employee that suspects the terms of this policy have been violated shall report the incident immediately to that employee's supervisor. If an employee is not comfortable bringing the matter up with the supervisor, the employee may bring the matter to the attention of the ARPA Finance Accountant. The COUNTY prohibits, any form of discipline, reprisal, intimidation, or retaliation for reporting incidents of inappropriate conduct of any kind, pursuing any record destruction claim, or cooperating in related investigations.

**Questions About the Policy:** Any questions about this policy should be referred to the ARPA Finance Accountant, who is in charge of administering, enforcing, and updating this policy.



## **AMERICAN RESCUE PLAN**

### **MEMORANDUM FOR AMERICAN RESCUE PLAN COMMITTEE AGENDA OF NOVEMBER 4, 2022**

**TO: AMERICAN RESCUE PLAN COMMITTEE**

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

**DATE: 10/28/2022**

**SUBJECT: CONSIDERATION OF POLICY NO. 10-2.11: NONPROFIT FISCAL  
RECOVERY AND ASSISTANCE PROGRAM**

#### **BACKGROUND**

At the September 6, 2022, American Rescue Plan Committee meeting, the Committee directed staff to do a deeper analysis of program budgets submitted through proposals from Nonprofit organizations. In this analysis, staff determined that significant portions of the proposed budgets were for administrative costs. Sub-awards are capped at administrative expenses of 10% for either direct or indirect costs.

At their October 13, 2022, meeting, the Committee voted unanimously to reject all proposals submitted for RFP 22-15-CTY. The Committee then directed staff to formulate an alternative strategy to assist local Nonprofit organizations.

Staff is presenting the Nonprofit Fiscal Recovery and Assistance Program for the Committee's consideration. This consideration includes draft Policy No. 10-2.11: Nonprofit Fiscal Recovery and Assistance Program and corresponding application.

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

Staff requests that the Nonprofit Fiscal Recovery and Assistance program policy and corresponding application be forwarded to the November 10, 2022, Board of Commissioners Agenda Session as an Item of Consideration.

#### **ATTACHMENTS:**

Description

Policy No. 10-2.11: Nonprofit Fiscal Recovery and Assistance Program

Type

Backup Material



The following policy was approved at the \_\_\_\_\_ Board of Commissioner's meeting.

**Cumberland County**

**Section I – Board Approved Policies**

**Subsection 10: American Rescue Plan Act of 2021**

**Policy No. 10-2.11: Nonprofit Fiscal Recovery and Assistance Program**

**1.0 PURPOSE**

Cumberland County has received an allocation of funds from the Coronavirus State and Local Fiscal Recovery Funds of H.R. 1319 American Rescue Plan Act of 2021 (ARPA/CSLFRF). The Board of Commissioners approved allocating ARPA funding to establish a Nonprofit Fiscal Recovery and Assistance Program (NFRAP) in response to the economic impacts experienced by nonprofit organizations as a result of the COVID-19 pandemic. This program describes eligible activities as defined in 31 CFR Part 35.

**2.0 SCOPE**

Funds are made available by the U.S. Department of Treasury through Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) and are administered by the Cumberland County ARP Staff Committee. The goal is to provide up to \$50,000 in financial assistance to Nonprofit organizations that faced economic hardship due to the pandemic. For the purpose of this program Cumberland County has defined a nonprofit organization as an organization with no more than fifty (50) employees at the time of application submission.

For the purposes of this program applicants are permitted to request funds to be reimbursed for:

- Payroll, which includes wages and associated payroll taxes; and
- Occupancy, which includes rental lease payments, mortgage (for organization property), and utilities

The organization must have been incorporated on or before March 3, 2021.

Funds under this Program may not be used to:

- Pay off non-organization debt, such as personal credit cards for purchases not associated with the organization;
- Purchase personal expenses such as buying a new family car or making repairs to a participant's home;
- Direct financing to political activities or paying off taxes and fines; and
- Purchase personal items or support other organizations in which the owner may have an interest.

### **3.0 STATEMENT OF THE POLICY**

Nonprofit organizations operating within Cumberland County employing no more than fifty (50) individuals at the time of application submission may apply.

1. The organization must be located in a Qualified Census Tract (QCT) or employing individuals (at least 51% of total employees) with a household income at or below the income limits established in Appendix A;
2. The organization must possess the capacity to be successful with the use of the program funds;
3. The organization must have a valid employer identification number (EIN),
4. The organization must be registered and in good standing with the North Carolina Secretary of State;
5. The organization must not currently be in bankruptcy;
6. The organization must be current with property taxes and any fees that are collected with property taxes, or has a payment plan in place with the tax administrator; and
7. Organization will have general liability insurance in policy with sufficient coverage in place at the time the assistance is received.

Certain organization types are ineligible to apply. This includes but not limited to:

501(c)(3) private foundations solely administered by Cumberland County employees, commissioners, or their immediate family members to include spouses, parents, children, siblings, in-laws, aunts, uncles, and stepfamily.

The NFRAP will be administered internally by the County ARP Staff Committee using the following method:

- a. Organizations with 50 or fewer employees paid with wages reported on a Form W-2;
- b. Organization was in operation on or before March 3, 2021 and is currently still in operation.
- c. Organizations must commit to retaining a minimum of one (1) employee for one year after the receipt of the assistance; and
- d. At least 51% of the retained jobs must be held by employees who reside in low-to-moderate income (LMI) households or Qualified Census Tracts, as determined by a self-verification of household income and/or address.

### **4.0 IMPLEMENTATION**

The Cumberland County ARP Staff Committee will consider organizations qualifying under the LMI benefit categories indicated above. If an organization does not qualify under the LMI

criteria, then Cumberland County may consider qualifying organizations under the QCT category, which has fewer qualification requirements.

A contractual relationship will be established between the County and the nonprofit organization to ensure compliance with county, state, and federal guidelines.

Implementation and enforcement of this policy shall be the responsibility of County Administration, Finance, and Legal.

- [31 CFR 35, Coronavirus State and Local Fiscal Recovery Funds Final Rule](#)
- [2022 HUD Income Limits, Appendix A](#)



## **NONPROFIT FISCAL RECOVERY ASSISTANCE PROGRAM APPLICATION**

### **AMERICAN RESCUE PLAN ACT**

---

The purpose of the Nonprofit Fiscal Recovery Assistance Program is to provide short-term financial assistance to nonprofit organizations that suffered an economic hardship due to the COVID-19 pandemic. Funding for this program is provided by the U.S. Department of the Treasury (USDT). USDT requires that certain information be obtained from all applicants in order to determine the applicant's eligibility for funding.

All applicants must be determined eligible in order to be awarded funding through the Nonprofit Fiscal Recovery Assistance Program. The organization must be operating within Cumberland County. Certain organization types are ineligible to apply.

Complete all applicable spaces on this document and be sure to sign the sections and attach all applicable documents. Incomplete applications will cause delays in the approval and contract process. Submission of this application does not guarantee that you will receive funding. For questions, please contact the ARP Team at [ARPsmb@cumberlandcountync.gov](mailto:ARPsmb@cumberlandcountync.gov).

---

## APPLICATION SUBMISSION REQUIREMENTS

### Application Checklist:

- ☐ Nonprofit Fiscal Recovery Assistance Program Application
- ☐ Articles of Incorporation for Nonprofit
- ☐ Tax Exempt Status Information
- ☐ Form 990 (for calendar years 2021 & 2020)
- ☐ Current payroll register
- ☐ Current Property Lease agreement or Mortgage document
- ☐ Current W9 with Organizations Legal Name

The attachments listed above must be submitted with the application. Cumberland County reserves the right to request additional information as needed to complete the application process for eligibility and award for funding. Other information requested may include, but is not limited to, employee income verification, bank statements, sources of other assistance received, job creation/retention report, and other documents necessary to complete the process for eligibility and award for funding.

If Cumberland County determines, in its sole discretion, that it is necessary to revise any part of the application or guidelines, an addendum, supplement, or amendment to this application will be posted at <http://www.cumberlandcountync.gov>. It is the responsibility of the applicant to check the website or contact Cumberland County for any such addendums, supplements, or amendments made to the application or guidelines.

If you have questions, please contact the ARP Team at [ARPsmb@cumberlandcountync.gov](mailto:ARPsmb@cumberlandcountync.gov).

**ORGANIZATION INFORMATION**

Organization Name:

Assumed Name registered with the NC Secretary of State (if applicable):

Mailing Address:

City:

State:

Zip Code:

Telephone:

Email:

Street Address of Operations (if different):

City:

State:

Zip Code:

Website:

Social Media:

Federal EIN:

Incorporation Date:

Nonprofit Status: 501(c)

Is the organization currently in bankruptcy? ☐ Yes ☐ NoHas the organization ever been subjected to criminal or civil fines and penalties including from County code or regulatory violations? ☐ Yes ☐ No

Tenancy Information:

Select which category applies to you:

- ☐ Building Owner  
☐ Tenant

What type of insurance does your organization currently have?

### ORGANIZATION DESCRIPTION

Indicate the nature of the organization and the types of services you provide:

### ECONOMIC IMPACT

Please describe the degree to which your organization has been impacted by the COVID-19 pandemic; list specific examples; and whether your organization had to close.

Please describe the degree to which your organization has been able to maintain employees during the COVID-19 pandemic and whether the award will help your organization do so.

Please describe how your organization has equitably provided services and inclusively engaged with the Cumberland County community.

**PROPOSED USE OF FUNDS**

Expense Category	Amount Requested
Payroll (wages & associated taxes)	\$
Occupancy (rent or mortgage)	\$
Occupancy (utilities)	\$
Total Amount Requested ( <b>maximum amount available: \$50,000</b> )	\$

**APPLICATION TO OTHER FORMS OF ASSISTANCE OR FUNDING SOURCES**

Have you received prior Federal, State, or Local aid related to COVID-19? <input type="checkbox"/> Yes <input type="checkbox"/> No		
Amount Requested	Request Status [Received, Pending]	Name of Funding Source / Program [SBA Paycheck Protection Program, etc.]
\$		
\$		
\$		
\$		
\$		
\$		

### AUTHORIZED REPRESENTATIVE

Authorized Representatives Name

Mailing Address:

City:

State:

Zip Code:

Telephone:

Email:

Age 18 or Older: ☐ Yes ☐ No

### CONFLICTS OF INTEREST

No employee\* may participate in the selection, award, or administration of a contract supported by a federal award if he or she has a real or apparent conflict of interest. Such conflict of interest would arise when the employee, or any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The employees may neither solicit or accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. (Reference § 2 CFR200.318(c)(l)).

\*As per the Personnel Ordinance Section 501 (c) "employee" means: All officials, officers, members, and employees, whether elected or appointed and whether paid or unpaid, of the government of the county and all of its agencies.

### JOB HIRING / RETENTION

According to program requirements and as a condition of the award, your organization will be required to make available jobs for persons whose household incomes are at or below the income limits established by the U.S. Department of the Treasury (USDT). Using the chart below, please indicate the number of Full-Time Equivalent (FTE) jobs that will be created and/or retained by the organization and that will be available for low to moderate income persons. Refer to program guidelines for detailed information regarding job creation / retention for low to moderate income persons. The organization will be required to submit a Job Creation / Retention Report periodically.

2022 HUD Income Limits for Cumberland County

Total Persons in the Household	1	2	3	4	5	6	7	8
Annual Income at or below:	37,350	42,650	48,000	53,300	57,600	61,850	66,100	70,400

*Applicant may be required to provide income information on current employees prior to executing a contract.*

Estimated number of FTE jobs to be **created for low to moderate income** persons: \_\_\_\_\_

and / or

Estimated number of FTE jobs to be **retained for low to moderate income** persons: \_\_\_\_\_

## ACKNOWLEDGEMENT OF REQUIRED ASSURANCES

By submitting the accompanying application and signing this document, I/We understand and agree that any award resulting from this solicitation will require compliance with the signed agreement and with the regulations, requirements, and policies identified below, including but not limited to:

- Compliance with the Nonprofit Fiscal Recovery Assistance Program Application Guidelines;
- Compliance with ordinances and policies of Cumberland County;
- Compliance with federal and state laws requiring the safeguarding and disclosure of confidential information;
- Maintaining program and financial records for audit review, and providing access to documentation upon request by the County and or USDT;
- Submission of program and financial reports, as required by the County and/or USDT;
- Certification that the applicant is a nonprofit organization registered in the State of North Carolina in good standing;
- Certification that the organization, association, corporation, or any person in a controlling capacity or any position involving the administration of federal, state, or local funds is not currently under suspension, debarment, voluntary exclusion, or a determination of ineligibility by any agency; has not been suspended, debarred, voluntarily excluded, or determined ineligible by any agency within the past three (3) years; does not have a proposed debarment pending; has not been indicted, convicted, or has not had a civil judgment rendered against said person, organization, association, or corporation by a court of competent jurisdiction in any matter involving fraud or misconduct with the past three (3) years;
- Certification that the organization is not bankrupt or under an administration appointed by the Court, or under proceedings leading to a declaration of bankruptcy; and provide any pending or known legal actions against the organization;
- All pending or known litigation/court action(s) have been disclosed in the application; and
- Certification that the organization applicant/ organization will use the requested funds, if awarded, in the manner through which it has requested them in the attached application. Cumberland County reserves the right to exercise all legal authority available to it to recapture the awarded funds should the funding be used in a manner other than that which was presented in this application.

## Certification

The undersigned hereby represents and certifies to the best of their knowledge and belief that the information contained on this statement and any exhibits or attachments hereto are true and complete and accurately describe the proposed project(s). The undersigned further understands that any false statement in this application may disqualify the applicant/organization from participation in the program. I/We also understand that this is a formal application for financial assistance. I/We understand that additional information (e.g., tax filings, bank account statements, etc.) may be requested. Verifications may be obtained from other sources.

The undersigned understands that no funding amount will be distributed until the County of Cumberland has issued a notice of award or notice to proceed. The undersigned agrees to promptly inform Cumberland County of any changes in the program which may occur. The County of Cumberland has the right to terminate any agreement under the Nonprofit Fiscal Recovery Assistance Program if an applicant/organization is found to be in violation of any conditions set forth in the application guidelines.

I/We understand that it may be a federal crime punishable by fine or imprisonment, or both, to knowingly make any false statements concerning any of the above facts as applicable under the provisions of the United States Criminal Code.

**Application Approval and Signature:** The signatory declares that the undersigned is an authorized official of the applicant organization, is authorized to make this application, is authorized to commit the organization in financial matters, and will assure that any funds received as a result of this application are used for the purposes set forth herein.

**Signature of Authorized Representative:** \_\_\_\_\_

Printed Name of Authorized Representative: \_\_\_\_\_

Title of Authorized Representative: \_\_\_\_\_

Date: \_\_\_\_\_



## **AMERICAN RESCUE PLAN**

### **MEMORANDUM FOR AMERICAN RESCUE PLAN COMMITTEE AGENDA OF NOVEMBER 4, 2022**

**TO: AMERICAN RESCUE PLAN COMMITTEE**

**FROM: VICKI EVANS, FINANCE DIRECTOR**

**DATE: 10/28/2022**

**SUBJECT: ARPA GRANT PROJECT ORDINANCE AMENDMENT B230001**

#### **BACKGROUND**

The most recent amendment to the ARPA Grant Project Ordinance was approved by the Board of Commissioners on June 20, 2022. Since that time, the Commissioners' ARP Committee has considered realignment of funding into multiple expenditure categories. Changes are shown in the column labeled "November 21, 2022 Adjustments".

Items 1, 2 and 3: \$1,200,000 increase for eligible health insurance claims

Items 4 and 5: \$1,014,000 decrease for CFVH programs to be funded utilizing freed-up capacity

Item 6 and 7: \$4,500,000 decrease to remove mortgage assistance and first-time homebuyers program

Item 8: \$250,000 decrease for FSU program to be funded utilizing freed-up capacity

Item 9: \$4,564,000 increase for rehiring public sector staff - allowable use for ease of administration of federal funds by a simplified draw of applicable employee salary and benefit costs. Funding will reimburse the general fund for incurred costs, thereby creating "freed-up capacity" to provide funding for Board approved projects while requiring less restricting accounting and reporting requirements. This amount will be updated as additional projects are identified for use of the freed-up capacity, in an amount not currently expected to exceed \$35,000,000 through December 31, 2026.

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

Management recommends forwarding this item to the full Board of Commissioners for approval as a Consent Agenda item at the November 21, 2022 regular meeting with the following action:

Approve ARPA Grant Project Ordinance Amendment #B230001, realigning funds into the identified expenditure categories as shown on the attachment to this memorandum.

**ATTACHMENTS:**

Description

Draft Grant Project Ordinance B230001

Type

Backup Material

**DRAFT ARPA GRANT PROJECT ORDINANCE AMENDMENT #B230001**

**as of June 20, 2022**

**November 21, 2022**

ARPA Reporting Code	Fund 240 Expenditure Category	Project Description	Cost Object	Appropriation of CSLFRF Funds	Project Allocation Total		Appropriation of CSLFRF Funds	Appropriation of CSLFRF Funds as revised
1.1	Public Health (2404551)	COVID19 Vaccinations - Cumberland County's self-funded claims costs for vaccinations	Claims			1	\$ 78,000	\$ 78,000
1.2	Public Health (2404551)	COVID19 Testing - Cumberland County's self-funded claims costs for COVID19 testing	Claims			2	166,000	166,000
1.4	BOC Meeting Room	Physical plant changes to Public Facilities that respond to the COVID-19 Public Health Emergency	Engineering/C onstruction	3,000,000	3,000,000			3,000,000
1.6	Public Health (2404551)	Medical expenses - Cumberland County's self-funded claims costs for COVID19 treatment	Claims			3	956,000	956,000
1.8	Public Health (2404551)	COVID19 Assistance to Small Business (1.8)	Contracted Services	3,500,000	3,500,000			3,500,000
1.9	Public Health (2404551)	COVID19 Assistance to Non-Profits (1.9)	Contracted Services	3,500,000	3,500,000			3,500,000
1.12	Public Health (2404551)	Behavioral Health Services: CFVH to provide a Community Paramedics program	Contracted Services	874,000	874,000	4	(874,000)	-
1.13	Public Health (2404551)	Substance Use Services: Purchase Narcan for distribution to the Sheriff's Office and County Fire Departments	Medical Supplies	140,000	140,000	5	(140,000)	-
2.2	Negative Economic Impacts (2404552)	Household Assistance: Rent, Mortgage, and Utility Aid Mortgage Assistance: Make funding available to assist residents at risk of foreclosure.	Contracted Services	2,000,000	2,000,000	6	(2,000,000)	-
2.2	Negative Economic Impacts (2404552)	Household Assistance: Rent, Mortgage, and Utility Aid Rental Assistance: Make funding available to assist renters at risk of eviction.	Contracted Services	1,500,000	1,500,000			1,500,000
2.10	Negative Economic Impacts (2404552)	Assistance to Unemployed or Underemployed Workers: Trade job training progrma in partnership with FTCC, Mid-Carolina COG - Workforce Development, and Cumberland County Schools	Contracted Services	2,000,000	2,000,000			2,000,000
2.15	Negative Economic Impacts (2404552)	Long-term Housing Security: Affordable Housing - New construction of a multi-family housing development in the Shaw Heights neighborhood (QCT 24.01).	Engineering/C onstruction	10,000,000	10,000,000			10,000,000
2.18	Negative Economic Impacts (2404552)	Housing Support: Other Housing Assistance - First-time homebuyers program	Contracted Services	2,500,000	2,500,000	7	(2,500,000)	-
2.30	Negative Economic Impacts (2404552)	Assistance to Small Businesses: Technical Assistance, Counseling, or Business Planning - FSU to provide advisory services, education, entrepreneurial summits and expos to businesses	Contracted Services	250,000	250,000	8	(250,000)	-
3.2	Public Sector Capacity (2404553)	Public Sector Workforce: Rehiring Public Sector Staff Salary and benefit costs to restore employment to pre-pandemic levels	Salaries/ Benefits			9	4,564,000	4,564,000
5.5	Infrastructure (2404555)	Clean Water: Other Sewer Infrastructure - Construction of a sanitary sewer system to be located in the Shaw Heights neighborhood (QCT 24.01).	Engineering/C onstruction	12,000,000	12,000,000			12,000,000
5.15	Infrastructure (2404555)	Drinking Water: Other Water Infrastructure - Construction of a water system to be located in the Gray's Creek Water and Sewer District	Engineering/C onstruction	10,000,000	10,000,000			10,000,000
5.21	Infrastructure (2404555)	Broadband: Other projects Broadband expansion into underserved areas in partnership with the State of NC, and a vendor to be selected through a competitive RFP process	Contracted Services	1,000,000	1,000,000			1,000,000
6.1	Revenue Replacement (2404556)	Provision of Government Services Salaries and benefit costs of Public Safety Personnel	Salaries/ Benefits	10,000,000	10,000,000			10,000,000
7.1	Administration (2404557)	Administrative Expenses - 3.5 full time County positions and allocated portions of several staff to manage CSLFRF programs and compliance requirements. ARPA allows up to 10% of total award.			2,904,690			
			Salaries	1,321,348				1,321,348
			Benefits	389,281				389,281
			Operating	125,335				125,335
			Unassigned	1,068,726				1,068,726
TOTAL				\$ 65,168,690	\$ 65,168,690		\$ -	\$ 65,168,690



## **AMERICAN RESCUE PLAN**

### **MEMORANDUM FOR AMERICAN RESCUE PLAN COMMITTEE AGENDA OF NOVEMBER 4, 2022**

**TO: AMERICAN RESCUE PLAN COMMITTEE**

**FROM: VICKI EVANS, FINANCE DIRECTOR**

**DATE: 10/28/2022**

**SUBJECT: PROPOSED ALLOCATIONS TO CAPE FEAR VALLEY HEALTH AND  
FAYETTEVILLE STATE UNIVERSITY**

#### **BACKGROUND**

**CAPE FEAR VALLEY HEALTH:** Below are details regarding three programs Cape Fear Valley Health (Legal entity name: Cumberland County Hospital Systems, Inc.) is proposing. The community paramedics and the Narcan programs were originally being considered as subrecipient agreements utilizing American Rescue Plan Act funding which requires compliance with more restrictive federal law requirements. For ease in administration and adherence to less restrictive funding requirements, utilizing ARP freed-up capacity funding is currently being considered. Details of the three programs follows:

##### **1. Community Paramedics Program**

One-year contract with Alliance Health for the term July 1, 2022 - June 30, 2023. Budget includes funding to support staffing costs only:

- 2 paramedics
- 1 Licensed Clinical Social Worker (LCSW)
- 1 Peer Support Specialist

For an amount not to exceed \$365,000.

CFVH is proposing a year two contract with Cumberland County for expanded services for the term July 1, 2023 – June 30, 2024. Budget includes staffing, operating, capital outlay costs, and indirect admin.

- 4 paramedics
- 2 LCSW
- 1 Peer Support Specialist

For an amount not to exceed \$874,000.

The program will provide on-scene crisis response and de-escalation, behavioral health screening and assessment, emergency triage and treatment, referral linkage and resource acquisition to community-based services to address social determinant roadblocks to treatment, and case management and follow up to ensure recovery and treatment services are being received.

During the initial two years, CFVH staff will be working with insurance carriers to cover the cost of care by making this a billable fee-for-service. The community paramedics program is attractive to insurance carriers because the program provides an alternative to Emergency Room treatment which is billed at a substantially higher cost. CFVH staff will also be working with the State of North Carolina to make this a Medicaid reimbursable service with the goal of becoming a self-sustainable program by June 30, 2024. Item 1 in the attachment provides budget details.

#### 2. Narcan to be distributed to Cumberland County Fire Districts

Fire districts utilize Narcan at varied levels. The goal is to purchase a sufficient quantity to cover usage over a three-month period/quarterly basis. Fire districts will receive an initial supply based on usage of the prior year, then it can be replenished as it is used. Quarterly purchases are preferred because of the expiration dates. CFVH staff will maintain an inventory control log to document distributions by fire district. Item 2 in the attachment provides budget details.

#### 3. Defibrillator Pads to be distributed to Cumberland County Fire Districts

Fire districts utilize defibrillator pads that are different from those utilized by CFVH. The cost of these pads to the fire districts is \$271.99 per set. The cost to CFVH is \$206.56 per set. CFVH is willing to make these purchases if the county provides the funding. Each set of pads is available for a one-time use only. Approximately 180 sets are required per year to support the fire districts countywide. CFVH staff will maintain an inventory control log to document distributions by fire district. Item 3 in the attachment provides budget details.

**FAYETTEVILLE STATE UNIVERSITY:** Representatives of FSU made a presentation during the May 12, 2022, Agenda Session meeting about their Innovation and Entrepreneurship Hub. The Board's action was to approve a \$250,000 allocation and have staff determine whether ARP funds can be utilized for these services. Since that time, staff have determined that this is not a project eligible for ARP funding and is proposing to support this request with ARP freed-up capacity funding.

#### 4. Innovation and Entrepreneurship Hub

The Hub will provide innovative workspaces, meeting facilities, business counseling expertise, workshops, computers, 3D printers, and other tools to support the needs of regional small businesses and associated organizations. Included will be a collaboration with community partners to assist under-represented contractors in qualifying for--and bidding for--contracts. Specific small business support resources to be permanently housed in the Hub will include the Veterans Business Outreach Center (VBOC), the Small Business Technology and Development Center (SBTDC), the EDA University Center, and the Construction Resource Office. Other resources will leverage HUB space as needed. Item 4 in the attachment provides budget details.

### **RECOMMENDATION / PROPOSED ACTION**

Consider providing funding to CFVH for the Community Paramedics Program at \$874,000; Narcan at \$117,900; Defibrillator Pads at \$37,181, for a grand total of \$1,029,081 utilizing funding from ARPA freed-up capacity.

Consider providing FSU with funding for the Innovation and Entrepreneurship Hub at \$250,000 utilizing funding from ARPA freed-up capacity.

If approved, a budget ordinance amendment including these amounts will be placed on the consent agenda of the November 21, 2022, Board of Commissioners' meeting.

**ATTACHMENTS:**

Description

Type

CFVH FSU Budgets

Backup Material

1	<b>CFVH Community Paramedics Program</b>		
	<b>One-year Proposed Budget</b>		
	<b>July 1, 2023 - June 30, 2024</b>		
	Personnel (Salary & Wages)	\$ 531,698	
	Fringe Benefits	106,339	
	Equipment & Other Capital*	125,281	2 quick response vehicles & upfit, body armor
	Material Supplies	6,000	
	Telecommunications	22,621	
	Participant costs (transportation, food, clothing)	12,750	
	Admin Overhead @ 8.6% of program expenditures	69,311	
	<b>Total Proposed Project Budget</b>	<b>\$ 874,000</b>	
2	<b>CFVH Purchase of Narcan</b>		
	<b>for distribution to Cumberland County</b>		
	<b>Fire Districts</b>		
	Equipment & Other Capital	\$ 114,150	1000 each Narcan Injector kits
	Material Supplies	3,750	500 Narcan kit bags with referral material @ \$7.50/bag
	<b>Total Proposed Project Budget</b>	<b>\$ 117,900</b>	
3	<b>CFVH Purchase of Defibrillator Pads</b>		
	<b>for distribution to Cumberland County</b>		
	<b>Fire Districts</b>		
	Equipment & Other Capital	\$ 37,181	CFVH cost \$206.56 per set * 180 sets
	<b>Total Proposed Project Budget</b>	<b>\$ 37,181</b>	
	<b>CFVH Grand Total</b>	<b>\$ 1,029,081</b>	
4	<b>FSU's Innovation and Entrepreneurship Hub</b>		
	<b>Amount</b>		
	Materials & Supplies	\$ 150,000	Technology upgrade to provide broadband access, computers, 3D printers
	Training & Education	100,000	Support staff for training and education
	<b>Total Proposed Project Budget</b>	<b>\$ 250,000</b>	
	<b>FSU Grand Total</b>	<b>\$ 250,000</b>	



## **AMERICAN RESCUE PLAN**

### **MEMORANDUM FOR AMERICAN RESCUE PLAN COMMITTEE AGENDA OF NOVEMBER 4, 2022**

**TO: AMERICAN RESCUE PLAN COMMITTEE**

**FROM: VICKI EVANS, FINANCE DIRECTOR**

**DATE: 10/30/2022**

**SUBJECT: ARPA QUARTERLY PROJECT AND EXPENDITURE REPORT AS OF  
SEPTEMBER 30, 2022**

#### **BACKGROUND**

Quarterly project and expenditure reporting of American Rescue Plan Act funding is required for metropolitan cities and counties with a population that exceeds 250,000. Cumberland County's quarterly report of projects and expenditures was submitted for the timeframe of July 1, 2022 through September 30, 2022 on October 30, 2022 as shown within the attached report.

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

For information purposes only. No action needed.

#### **ATTACHMENTS:**

Description

ARPA P&E Report for quarter ending September 30, 2022

Type

Backup Material

# SLFRF Compliance Report - SLT-1353-P&E Report-Q3 2022

## Report Period : Quarter 3 2022 (July-September)

---

### Recipient Profile

#### Recipient Information

Recipient UEI	VAUSC2ZZKJ78
Recipient TIN	566000291
Recipient Legal Entity Name	County Of Cumberland, North Carolina
Recipient Type	Metro City or County
FAIN	
CFDA No./Assistance Listing	
Recipient Address	117 Dick Street
Recipient Address 2	
Recipient Address 3	
Recipient City	Fayetteville
Recipient State/Territory	NC
Recipient Zip5	28301
Recipient Zip+4	
Recipient Reporting Tier	Tier 1. States, U.S. territories, metropolitan cities and counties with a population that exceeds 250,000 residents
Base Year Fiscal Year End Date	6/30/2023
Discrepancies Explanation	
Who approves the budget in your jurisdiction?	Other (Specify)
Is your budget considered executed at the point of obligation?	No
Is the Recipient Registered in SAM.Gov?	Yes

# Project Overview

## Project Name: Direct Costs to Administer ARPA Funds

Project Identification Number	AR701
Project Expenditure Category	7-Administrative
Project Expenditure Subcategory	7.1-Administrative Expenses
Status To Completion	Completed less than 50%
Adopted Budget	\$2,904,690.00
Program Income Earned	\$0.00
Program Income Expended	\$0.00
Total Cumulative Obligations	\$98,454.22
Total Cumulative Expenditures	\$98,454.22
Current Period Obligations	\$41,653.21
Current Period Expenditures	\$41,653.21
Project Description	Salary and benefit costs of ARPA program manager, ARPA Finance Accountant, supplies and materials, advertising and other operating costs.

## Project Name: Grays Creek Water Project

Project Identification Number	AR515
Project Expenditure Category	5-Infrastructure
Project Expenditure Subcategory	5.15-Drinking water: Other water infrastructure
Status To Completion	Not Started
Adopted Budget	\$10,000,000.00
Program Income Earned	\$0.00
Program Income Expended	\$0.00
Total Cumulative Obligations	\$0.00
Total Cumulative Expenditures	\$0.00
Current Period Obligations	\$0.00
Current Period Expenditures	\$0.00
Project Description	The Grays Creek area of Cumberland County has been tested and confirmed to have above normal/unsafe limits of contaminants within its ground water and wells that provide water to the schools, residences, and businesses in the area. Construction is planned to create a community water system to address the existing public health problems associated with consuming unsafe drinking water provided by the individual well. ARPA funds will assist in partially funding the initial phases of this water project.

## Project Name: Shaw Heights Sanitary Sewer System Project

--	--

Project Identification Number	AR505
Project Expenditure Category	5-Infrastructure
Project Expenditure Subcategory	5.5-Clean Water: Other sewer infrastructure
Status To Completion	Not Started
Adopted Budget	\$12,000,000.00
Program Income Earned	\$0.00
Program Income Expended	\$0.00
Total Cumulative Obligations	\$0.00
Total Cumulative Expenditures	\$0.00
Current Period Obligations	\$0.00
Current Period Expenditures	\$0.00
Project Description	Cumberland County is in the process of exploring the addition of a sanitary sewer system located within the Shaw Heights community, which is located within a Qualified Census Tract (QCT). Failing septic systems has been an issue within this community and in order for the Shaw Heights Affordable Housing ARPA Project (AR215) to be the most successful, the installation and construction of new pipes, pump stations, and force mains for sewer systems is required.

### Project Name: Broadband Expansion

Project Identification Number	AR521
Project Expenditure Category	5-Infrastructure
Project Expenditure Subcategory	5.21-Broadband: Other projects
Status To Completion	Not Started
Adopted Budget	\$1,000,000.00
Program Income Earned	\$0.00
Program Income Expended	\$0.00
Total Cumulative Obligations	\$0.00
Total Cumulative Expenditures	\$0.00
Current Period Obligations	\$0.00
Current Period Expenditures	\$0.00
Project Description	Cumberland County plans to partner with an internet service provider to expand fiber optic internet access into the more remote areas of the County. ARPA funds will provide for a portion of the project cost with the remaining required funds coming from the State of North Carolina and the internet service provider. A state grant request has been submitted and results are pending. If awarded, the combined funds will provide access to approximately 2,017 homes.
Projected/actual construction start date	6/30/2023
Projected/actual initiation of operations date	6/30/2024

### Project Name: Homeless Shelter Property

Project Identification Number	AR216
Project Expenditure Category	2-Negative Economic Impacts
Project Expenditure Subcategory	2.16-Long-Term Housing Security: Services for Unhoused persons
Status To Completion	Cancelled
Adopted Budget	\$0.00
Program Income Earned	\$0.00
Program Income Expended	\$0.00
Total Cumulative Obligations	\$0.00
Total Cumulative Expenditures	\$0.00
Current Period Obligations	\$0.00
Current Period Expenditures	\$0.00
Project Description	Cumberland County is in the process of exploring potential property/building locations for a homeless shelter to be located within a qualified census tract. A previously issued needs assessment survey indicated the County is lacking in available temporary housing solutions and beds available for the homeless population. Although this item is budgeted utilizing a portion of ARPA funds currently, it is expected that this will be removed from consideration as we now understand with the Final Rule this type of project is not allowed.
What is the Total expected capital expenditure, including pre-development costs, if applicable	\$250,000.00
Type of capital expenditures, based on the following enumerated uses	Improvements to existing facilities
Please identify the dollar amount of the total project spending that is allocated towards evidence-based interventions	\$0.00
Is a program evaluation of the project being conducted?	No
What Impacted and/or Disproportionally Impacted population does this project primarily serve?	1 Imp General Public
Is a program evaluation of the project being conducted?	No
Brief description of structure and objectives of assistance program(s), including public health or negative economic impact experienced	0
Brief description of recipient's approach to ensuring that response is reasonable and proportional to a public health or negative economic impact of Covid-19	0

### **Project Name: Shaw Heights Affordable Housing**

Project Identification Number	AR215
Project Expenditure Category	2-Negative Economic Impacts
Project Expenditure Subcategory	2.15-Long-Term Housing Security: Affordable Housing
Status To Completion	Not Started
Adopted Budget	\$10,000,000.00

Program Income Earned	\$0.00
Program Income Expended	\$0.00
Total Cumulative Obligations	\$0.00
Total Cumulative Expenditures	\$0.00
Current Period Obligations	\$0.00
Current Period Expenditures	\$0.00
Project Description	Cumberland County is in the planning phase of construction of affordable housing to be located within the Shaw Heights community, which is located within a Qualified Census Tract (QCT). This project is being explored in conjunction with the installation of a sanitary sewer system described in the Shaw Heights Sanitary Sewer System ARPA Project (AR505). The number of housing units is to be determined. The affordable housing units will provide for permanent housing options for those citizens who are within the low to moderate income range.
What is the Total expected capital expenditure, including pre-development costs, if applicable	\$10,000,000.00
Type of capital expenditures, based on the following enumerated uses	Affordable housing, supportive housing, or recovery housing
Does the project prioritize local hires?	Yes
Does the project have a Community Benefit Agreement, with a description of any such agreement?	No

### **Project Name: First Time Home Buyers Program**

Project Identification Number	AR218
Project Expenditure Category	2-Negative Economic Impacts
Project Expenditure Subcategory	2.18-Housing Support: Other Housing Assistance
Status To Completion	Not Started
Adopted Budget	\$2,500,000.00
Program Income Earned	\$0.00
Program Income Expended	\$0.00
Total Cumulative Obligations	\$0.00
Total Cumulative Expenditures	\$0.00
Current Period Obligations	\$0.00
Current Period Expenditures	\$0.00
Project Description	Cumberland County plans to issue a request for applications, with a focus on first-time home buyers of low to moderate income and/or those who have had an adverse economic impact as a result of COVID-19, and/or residents of a Qualified Census Tract (QCT). Eligible applicants may receive financial assistance in the household per person amounts that do not exceed the payment totals provided by the federal government within the COVID-19 Stimulus & Relief packages.

**Project Name: Mortgage Assistance**

Project Identification Number	AR202
Project Expenditure Category	2-Negative Economic Impacts
Project Expenditure Subcategory	2.2-Household Assistance: Rent, Mortgage, and Utility Aid
Status To Completion	Not Started
Adopted Budget	\$3,500,000.00
Program Income Earned	\$0.00
Program Income Expended	\$0.00
Total Cumulative Obligations	\$0.00
Total Cumulative Expenditures	\$0.00
Current Period Obligations	\$0.00
Current Period Expenditures	\$0.00
Project Description	Cumberland County plans to issue a request for applications tailored to those who had existing mortgages, who were negatively affected by the pandemic, and who have been thus rendered unable to maintain their current mortgage payments. Eligibility will be limited to providing mortgage assistance to those who reside in a QCT, and/or those who qualify as low to moderate income households, without duplicating similar assistance that has already been provided to these households.

**Project Name: Board Meeting Room Update**

Project Identification Number	AR104
Project Expenditure Category	1-Public Health
Project Expenditure Subcategory	1.4-Prevention in Congregate Settings (Nursing Homes, Prisons/Jails, Dense Work Sites, Schools, Child care facilities, etc.)
Status To Completion	Not Started
Adopted Budget	\$3,000,000.00
Program Income Earned	\$0.00
Program Income Expended	\$0.00
Total Cumulative Obligations	\$0.00
Total Cumulative Expenditures	\$0.00
Current Period Obligations	\$0.00
Current Period Expenditures	\$0.00
Project Description	Board of Commissioner meetings are required to be open to the public. Sufficient space is not available in the current congregate meeting room to allow for social distancing between commissioners or in the employee/public seating area. Funds will be utilized to enhance airflow, provide commissioner and employee/public seating sufficient enough to provide for social distancing in a different meeting room that will allow for safety in this congregate setting.
What is the Total expected capital expenditure, including	

pre-development costs, if applicable	\$3,000,000.00
Type of capital expenditures, based on the following enumerated uses	Improvements to existing facilities

**Project Name: CCOVID Assistance to Nonprofits**

Project Identification Number	AR109
Project Expenditure Category	1-Public Health
Project Expenditure Subcategory	1.9-COVID-19 Assistance to Non-Profits
Status To Completion	Not Started
Adopted Budget	\$3,500,000.00
Program Income Earned	\$0.00
Program Income Expended	\$0.00
Total Cumulative Obligations	\$0.00
Total Cumulative Expenditures	\$0.00
Current Period Obligations	\$0.00
Current Period Expenditures	\$0.00
Project Description	Cumberland County has issued a formal request for proposals seeking the assistance of nonprofit entities to recommend ideas on how to best provide county citizens in need with supports/services to aid in COVID-19 recovery efforts. The highest ranked proposals will be considered for a subaward or contractual agreement. A sub-committee was established and is in the process of reviewing responses. It is anticipated that award recommendations will be made during August 2022.

**Project Name: Provision of Government Services**

Project Identification Number	AR610
Project Expenditure Category	6-Revenue Replacement
Project Expenditure Subcategory	6.1-Provision of Government Services
Status To Completion	Completed
Adopted Budget	\$10,000,000.00
Program Income Earned	\$0.00
Program Income Expended	\$0.00
Total Cumulative Obligations	\$10,000,000.00
Total Cumulative Expenditures	\$10,000,000.00
Current Period Obligations	\$4,904,164.99
Current Period Expenditures	\$4,904,164.99
Project Description	The funds were utilized to cover staffing/payroll costs of the Sheriff's Office and Detention Center. The funds will cover salaries and corresponding fringe benefit expenses for those employees beginning in April 2022 until available funds are exhausted. Covered salaries are based on Cumberland

	County's current pay schedule and the fringe benefits are based on the Board of Commissioner adopted benefits ordinance.
--	--

### **Project Name: COVID Small Business Assistance**

Project Identification Number	AR108
Project Expenditure Category	1-Public Health
Project Expenditure Subcategory	1.8-COVID-19 Assistance to Small Businesses
Status To Completion	Not Started
Adopted Budget	\$3,500,000.00
Program Income Earned	\$0.00
Program Income Expended	\$0.00
Total Cumulative Obligations	\$265,527.00
Total Cumulative Expenditures	\$0.00
Current Period Obligations	\$265,527.00
Current Period Expenditures	\$0.00
Project Description	Cumberland County has issued a request for applications, focused on for-profit small businesses located within the County. Eligible small businesses have an opportunity to receive a one-time amount up to \$50,000 to aid in COVID-19 recovery efforts. Higher priority is being given to eligible small businesses who employ one or more individuals of low to moderate income and/or whose business is located within a qualified census tract. Community Development staff are in the process of reviewing applications and have made some recommendations. It is anticipated that contracts will be approved/fund obligated between August-September 2022.

### **Project Name: FSU Assistance to Small Businesses**

Project Identification Number	AR230
Project Expenditure Category	2-Negative Economic Impacts
Project Expenditure Subcategory	2.30-Technical Assistance, Counseling, or Business Planning
Status To Completion	Not Started
Adopted Budget	\$250,000.00
Program Income Earned	\$0.00
Program Income Expended	\$0.00
Total Cumulative Obligations	\$0.00
Total Cumulative Expenditures	\$0.00
Current Period Obligations	\$0.00
Current Period Expenditures	\$0.00
	A subrecipient agreement is planned with Fayetteville State University (FSU). The funds will be used to support the Innovation and Entrepreneurship Hub, which seeks to

Project Description	increase access to technical assistance, counseling services to help local business meet their business planning needs. The hub will provide advisory services, education, entrepreneurial summits, and expositions to local businesses.
---------------------	--

### **Project Name: Community Paramedics Program**

Project Identification Number	AR112
Project Expenditure Category	1-Public Health
Project Expenditure Subcategory	1.12-Mental Health Services
Status To Completion	Not Started
Adopted Budget	\$874,000.00
Program Income Earned	\$0.00
Program Income Expended	\$0.00
Total Cumulative Obligations	\$0.00
Total Cumulative Expenditures	\$0.00
Current Period Obligations	\$0.00
Current Period Expenditures	\$0.00
Project Description	A subrecipient agreement is planned with Cape Fear Valley Health center who will provide a Community Paramedic Community Response Program. Cumberland County EMS Community Paramedics are uniquely suited to respond in the 911 environment to crisis mental health and substance abuse/overdose calls within the geopolitical boundaries of Cumberland County. The team will work alongside Licensed Clinical Social Workers (LCSW) that are healthcare practitioners trained in mental health, substance abuse counseling, and patient management.

### **Project Name: Trade Job Training Program**

Project Identification Number	AR210
Project Expenditure Category	2-Negative Economic Impacts
Project Expenditure Subcategory	2.10-Assistance to Unemployed or Underemployed Workers (e.g. job training, subsidized employment, employment supports or incentives)
Status To Completion	Not Started
Adopted Budget	\$2,000,000.00
Program Income Earned	\$0.00
Program Income Expended	\$0.00
Total Cumulative Obligations	\$0.00
Total Cumulative Expenditures	\$0.00
Current Period Obligations	\$0.00
Current Period Expenditures	\$0.00
	A subrecipient agreement is planned with FTCC. The funds will be used to support the “Hope, Opportunity, Prosperity through Education” or HOPE Program, which seeks to

Project Description	increase the social and economic mobility of participants through accelerated training connected to high-demand employment opportunities in various trades through on-the-job training with local businesses.
---------------------	---

**Project Name: NARCAN**

Project Identification Number	AR113
Project Expenditure Category	1-Public Health
Project Expenditure Subcategory	1.13-Substance Use Services
Status To Completion	Not Started
Adopted Budget	\$140,000.00
Program Income Earned	\$0.00
Program Income Expended	\$0.00
Total Cumulative Obligations	\$0.00
Total Cumulative Expenditures	\$0.00
Current Period Obligations	\$0.00
Current Period Expenditures	\$0.00
Project Description	A subrecipient agreement is planned with Cape Fear Valley Health Center who will purchase NARCAN for distribution to the Sheriff's Office, Fire Districts, and other first responders.

## Subrecipients

**Subrecipient Name: County of Cumberland**

TIN	566000291
Unique Entity Identifier	
POC Email Address	
Address Line 1	117 Dick Street
Address Line 2	
Address Line 3	
City	Fayetteville
State	NC
Zip	28302
Zip+4	
Entity Type	Subrecipient
Is the Recipient Registered in SAM.Gov?	Yes

## Subawards

### Subward No: DIRECT ADMIN

Subaward Type	Direct Payment
Subaward Obligation	\$56,801.01
Subaward Date	1/24/2022
Place of Performance Address 1	117 Dick Street
Place of Performance Address 2	
Place of Performance Address 3	
Place of Performance City	Fayetteville
Place of Performance State	NC
Place of Performance Zip	28302
Place of Performance Zip+4	
Description	Cumberland County's Direct Admin - Per the final rule, up to 10% of allocated funds can be used for direct admin. This period includes costs for salary and benefit costs of ARPA program manager, supplies and materials, advertising and other operating costs.
Subrecipient	County of Cumberland
Period of Performance Start	1/24/2022
Period of Performance End	12/31/2026

# Expenditures

## Expenditures for Awards more than \$50,000

### Expenditure: EN-00434338

Project Name	Direct Costs to Administer ARPA Funds
Subaward ID	SUB-0335972
Subaward No	DIRECT ADMIN
Subaward Amount	\$56,801.01
Subaward Type	Direct Payment
Subrecipient Name	County of Cumberland
Expenditure Start	1/24/2022
Expenditure End	6/30/2022
Expenditure Amount	\$56,801.01

## Aggregate Expenditures for Awards less than \$50,000

### Expenditure: EN-00662324

Project Name	COVID Small Business Assistance
Subaward Type (Aggregates)	Aggregate of Contracts Awarded
Total Period Expenditure Amount	\$0.00
Total Period Obligation Amount	\$265,527.00

### Expenditure: EN-00305141

Project Name	Direct Costs to Administer ARPA Funds
Subaward Type (Aggregates)	Aggregate of Direct Payments
Total Period Expenditure Amount	\$41,653.21
Total Period Obligation Amount	\$41,653.21

### Expenditure: EN-00435006

Project Name	Direct Costs to Administer ARPA Funds
Subaward Type (Aggregates)	Aggregate of Direct Payments
Total Period Expenditure Amount	\$0.00
Total Period Obligation Amount	\$0.00

# Report

## Revenue Replacement

Is your jurisdiction electing to use the standard allowance of up to \$10 million, not to exceed your total award allocation, for identifying revenue loss?	Yes
Revenue Loss Due to Covid-19 Public Health Emergency	\$10,000,000.00
Were Fiscal Recovery Funds used to make a deposit into a pension fund?	No
Please provide an explanation of how revenue replacement funds were allocated to government services	The funds have been utilized to cover staffing/payroll costs of the Sheriff's Office and Detention Center. The funds covered salaries and corresponding fringe benefit expenses for those employees beginning in April 2022 until available funds are exhausted. Covered salaries are based on Cumberland County's current pay schedule and the fringe benefits are based on the Board of Commissioner adopted benefits ordinance.

## Overview

Total Obligations	\$10,363,981.22
Total Expenditures	\$10,098,454.22
Total Adopted Budget	\$65,168,690.00
Total Number of Projects	16
Total Number of Subawards	1
Total Number of Expenditures	4

## Certification

Authorized Representative Name	Victoria Evans
Authorized Representative Telephone	(910) 678-7750
Authorized Representative Title	Finance Director
Authorized Representative Email	<a href="mailto:vevans@co.cumberland.nc.us">vevans@co.cumberland.nc.us</a>
Submission Date	10/30/2022 6:20 PM