301 W. Main St., Carrboro, NC 27510



Meeting Agenda - Final

Tuesday, September 20, 2022 7:00 PM

Council Chambers - Room 110

Town Council

7:00-7:05

A. POETRY READING, RESOLUTIONS, PROCLAMATIONS, AND ACKNOWLEDGEMENTS

- 1. <u>22-265</u> Proclamation: Community Planning Month- October 2022
- 2. <u>22-266</u> Proclamation: Fallen Firefighters Memorial Weekend / Fire Prevention Week

<u>7:05-7:10</u>

B. ANNOUNCEMENT OF UPCOMING MEETINGS

7:10-7:15

C. PUBLIC COMMENT

Comments are limited to three minutes per speaker.

7:15-7:25

2.

D. CONSENT AGENDA

22-257

1. 22-226 A Resolution Scheduling an October 18, 2022 Town Council Meeting and Canceling the October 25, 2022 Town Council Meeting

PURPOSE: The purpose of this item is to schedule a meeting for October 18, 2022 and to cancel the Council's October 25, 2022 meeting.

Attachments: Resolution Canceling the October 25, 2022 Town Council Meeting and Scheduling a Town Council Meeting for October 18, 2022

Request to Set a Public Hearing on a Land Use Amendment Relating

to Certain Limitations on the Use of Criminal Penalties

PURPOSE: The purpose of this item is for the Town Council to consider setting a public hearing on a text amendment to the Land Use Ordinance to conform to state legislation relating the use of criminal penalties for violations of development regulations.

Attachments: A - Resolution for Txt Amend for SB 300.doc

B - Draft Ordinance - SB 300 Change for LUO.doc

C - LUO Article VII.pdf

3. <u>22-261</u> Grant Project Ordinance for FY21-22 Orange County Community Climate Action Grant Funding

PURPOSE: The purpose of this item is for the Town Council to adopt the Project Ordinance authorizing the Town Manager to accept two grants from the FY21-22 Orange County Community Climate Action Grant Fund and enter into agreements with Orange County for grant administration.

<u>Attachments:</u> <u>Attachment A - FY21-22 OC Community Climate Action Grant Project</u>

Ordinance

4. <u>22-264</u> Appointment of Affordable Housing Advisory Commission Member to 2nd Term

PURPOSE: The purpose of this agenda item is for Council to consider reappointment of Affordable Housing Advisory Commission member Betty Curry to a 2nd three-year term.

Attachment A- Resolution Making Appointment to Affordable Housing

Adv Commission 9.20.22

Attachment B- Betty Curry Reappointment App & Chair Report

Attachment C - AHAC Information Matrix 9.15.22

5. <u>22-258</u> Update on Starlite Drive Traffic Calming and Approval of Town Code Amendments Relating to Parking and Traffic Control Signage

PURPOSE: The purpose of this agenda item is to provide the Town Council with an update on the installation of traffic calming and other safety measures for Starlite Drive, and to request adoption of the recommended amendments to the Town Code related to signage for on-street parking and traffic control devices.

Attachments: A - Proposed Changes-Illustration.pdf

B - Starlite NIM Invitation & Follow-up.pdf

C - DRAFT Town Code Amendment - Starlite Dr - Stop Sign and Parking

Regs.docx

E. OTHER MATTERS

7:25-7:55

1. <u>22-263</u> Acceptance of and Authorization to Implement the Classification and Compensation Study Report

PURPOSE: The purpose of this agenda item is to request that the Town Council accept the Classification and Compensation Study Report and approve the implementation plan.

Attachments: Attachment A - A RESOLUTION FOR THE IMPLEMENTATION OF THE

COMPREHENSIVE COMPENSATION AND CLASS STUDY CHANGES

Attachment B - MAG FINAL REPORT Town Council

<u>7:55-9:30</u>

Work Session - Expenditure of ARP/CSLFR Funds

2. 22-259 Review of Policies for the Expenditure of American Rescue Plan Act of 2021, Coronavirus State and Local Fiscal Recovery Funds

PURPOSE: The purpose of this agenda item is to present draft policies required for the expenditure of American Rescue Plan Act of 2021, Coronavirus State and Local Fiscal Recovery Funds (ARP/CSLFRF).

Attachments: CARRBORO ARPA POLICIES BOOK

3. <u>22-260</u> Grant Project Ordinance for Expenditure of ARP/CSLFRF Funds

PURPOSE: The purpose of this agenda item is to present to the

Town Council a proposed allocation of ARP/CSLFRF for

consideration and adoption on October 11, 2022

Attachments: TOC ARPA Grant-Project-Ordinance 9-20-2022

F. MATTERS BY COUNCIL MEMBERS

1. <u>22-272</u> Climate Reality Event Fee Waiver



Agenda Item Abstract

File Number:22-265

Agenda Date: 9/20/2022 File Type: Agendas

In Control: Board of Aldermen

Version: 1

Proclamation: Community Planning Month- October 2022



Agenda Item Abstract

File Number:22-266

Agenda Date: 9/20/2022 File Type: Agendas

In Control: Board of Aldermen

Version: 1

Proclamation: Fallen Firefighters Memorial Weekend / Fire Prevention Week



Agenda Item Abstract

File Number:22-226

Agenda Date: 9/20/2022 File Type: Agendas

In Control: Board of Aldermen

Version: 1

TITLE:

A Resolution Scheduling an October 18, 2022 Town Council Meeting and Canceling the October 25, 2022 Town Council Meeting

PURPOSE: The purpose of this item is to schedule a meeting for October 18, 2022 and to

cancel the Council's October 25, 2022 meeting.

DEPARTMENT: Town Clerk

CONTACT INFORMATION: Mary Bryant, 919-918-7310

INFORMATION: When the Town Council adopted the 2022 meeting schedule, the October 18th meeting was not scheduled possibly in anticipation of the Greater Chapel Hill-Carrboro Chamber Inter-City Visit and Leadership Conference. However, this visit is scheduled for October 25th. The attached resolution schedules an October 18, 2022 meeting and cancels the October 25, 2022 meeting to allow Council Members and staff to attend the Inter-City Visit and Conference.

FISCAL & STAFF IMPACT: There are no Fiscal or Staff Impacts.

RECOMMENDATION: Staff recommends that the Town Council adopt the attached resolution.

A RESOLUTION SCHEDULING THE OCTOBER 18, 2022 TOWN COUNCIL MEETING AND CANCELING THE OCTOBER 25, 2022 TOWN COUNCIL MEETING

NOW, THEREFORE BE IT RESOLVED BY THE CARRBORO TOWN COUNCIL THAT:

Section 1. A Town Council meeting is scheduled for October 18, 2022.

Section 2. The October 25, 2022 Town Council meeting is canceled.



Agenda Item Abstract

File Number: 22-257

Agenda Date: 9/20/2022 File Type: Agendas

In Control: Board of Aldermen

Version: 1

TITLE:

Request to Set a Public Hearing on a Land Use Amendment Relating to Certain Limitations on the Use of Criminal Penalties

PURPOSE: The purpose of this item is for the Town Council to consider setting a public hearing on a text amendment to the Land Use Ordinance to conform to state legislation relating the use of criminal penalties for violations of development regulations.

DEPARTMENT: Planning

CONTACT INFORMATION: Christina Moon, Planning Administrator, 919-918-7325, cmoon@carrboronc.gov; Patricia McGuire, Planning Director, 919-918-7327, pmcguire@carrboronc.gov; Nick Herman, Town Attorney, 919-929-3905, herman@broughlawfirm.com>

INFORMATION: During the 2021 Session, the North Carolina legislature adopted S. L. 2021-138 (SB 300), also known as the Criminal Justice Reform Act. Under the new statutory language adopted in Part XIII of the law, Decriminalization of Certain Ordinances, local governments must amend local ordinances to specifically identify violations that may be enforced with criminal penalties. In general, criminal penalties may not be imposed for violations to ordinances enacted under Chapter 160D (planning and regulation of development) except for ordinances relating to unsafe buildings and certain other regulations that are separately authorized in other sections of the General Statutes.

A draft ordinance to amend Article VII, Enforcement and Review, of the Land Use Ordinance has been prepared (*Attachment B*). If adopted, Section 15-114, Penalties and Remedies for Violation, would be amended in two ways. First subsection 15-114(a) would be replaced with new language that would specifically address violations for subdividing lots without plat approval (LUO Section 15-77) as these violations could be considered misdemeanors per G.S. 160D-807(a). Second, subsection 15-114(b) would be replaced with new language that would consider any act of violation of any other provision, condition, or requirement of the LUO to be subject to a civil penalty of up to five thousand dollars.

The Town Council must receive public comment before adopting amendments to the Land Use Ordinance. Planning Board and Orange County review is also needed. A copy of Article VII of the LUO is provided for information (Attachment C); Section 15-114.

Agenda Date: 9/20/2022 File Type: Agendas

In Control: Board of Aldermen

Version: 1

FISCAL & STAFF IMPACT: Public Hearings involve staff and public notice costs associated with advisory board and Town Council Review.

RECOMMENDATION: Staff recommends that the Town Council consider the attached resolution (*Attachment A*) setting a public hearing for November 1, 2022, and referring the proposed amendment to Orange County and the Planning Board.

A RESOLUTION SETTING A PUBLIC HEARING ON AN ORDINANCE TO COMPLY WITH SB 300, SL 2021-138 RELATING TO CERTAIN LIMITATIONS ON THE USE OF CRIMINAL PENALTIES

WHEREAS, the Carrboro Town Council seeks to provide ample opportunities for the public to comment on proposed amendments to the Land Use Ordinance;

NOW, THEREFORE BE IT RESOLVED that the Town Council sets a public hearing on November 1, 2022, to consider adopting "An Ordinance Amending the Carrboro Land Use Ordinance to Comply with SB 300, SL 2021-138 Relating to Certain Limitations on the Use of Criminal Penalties."

BE IT FURTHER RESOLVED that the draft ordinance is referred to Orange County and the Town of Carrboro Planning Board for consideration and recommendation prior to the specified public hearing date.

This is the 20th day of September in the year 2022.

AN ORDINANCE AMENDING THE CARRBORO LAND USE ORDINANCE TO COMPLY WITH SB 300, SL 2021-138 RELATING TO CERTAIN LIMITATIONS ON THE USE OF CRIMINAL PENALTIES

THE TOWN COUNCIL OF THE TOWN OF CARRBORO ORDAINS:

<u>Section 1</u>. In Section 15-114 Penalties and Remedies for Violations, in Article VII of the Land Use Ordinance, existing subsections (a) and (b) are replaced with the following:

- (a) Violations of Article IV Sec. 15-77, No Subdivision Without Plat Approval, shall constitute a misdemeanor punishable as provided in G.S. 160D-807 (a), Penalties for transferring lots in unapproved subdivisions.
- (b) Any act constituting a violation of the provisions of this chapter or a failure to comply with any of its requirements, including violations of any conditions and safeguards established in connection with the issuance of variances or special use or conditional use permits, shall subject the offender to a civil penalty of up to five thousand dollars (\$5,000.00).

<u>Section 2.</u> All provisions of any town ordinance in conflict with this ordinance are repealed.

<u>Section 3</u>. This ordinance shall become effective upon adoption.

The foregoing ordina duly adopted this	, ,	e, received the fo	ollowing vote	and was
Ayes:				
Noes:				
Absent or Excused:				

ARTICLE VII

ENFORCEMENT AND REVIEW

Section 15-111 Complaints Regarding Violations.

Whenever the administrator receives a written, signed complaint alleging a violation of this chapter, the administrator shall investigate the complaint, take whatever action is warranted, and inform the complainant in writing what actions have been or will be taken.

Section 15-112 Persons Liable.

The owner, tenant, or occupant of any building or land or part thereof and any architect, builder, contractor, agent or other person who participates in, assists, directs, creates, or maintains any situation that is contrary to the requirements of this chapter may be held responsible for the violation and suffer the penalties and be subject to the remedies herein provided.

Section 15-113 Procedures Upon Discovery of Violations.

- (a) If the administrator finds that any provision of this chapter is being violated, the administrator shall send a written notice to the person responsible for such violation, indicating the nature of the violation and ordering the action necessary to correct it. Additional written notices may be sent at the administrator's discretion.
- (b) The final written notice (and the initial written notice may be the final notice) shall state what action the administrator intends to take if the violation is not corrected and shall advise that the administrator's decision or order may be appealed to the board of adjustment as provided in Section 15-91.
- (c) Notwithstanding the foregoing, in cases when delay would seriously threaten the effective enforcement of this ordinance or pose a danger to the public health, safety, or welfare, the administrator may seek enforcement without prior written notice by invoking any of the penalties or remedies authorized in Section 15-114.

Section 15-114 Penalties and Remedies for Violations.

- (a) Violations of the provisions of this chapter or failure to comply with any of its requirements, including violations of any conditions and safeguards established in connection with grants of variances, special use permits-B or special use permits-A, or violations of stop work orders, shall constitute a misdemeanor, punishable as provided in G.S. 14-4. (AMENDED 10/24/89; 6/22/21)
- (b) Any act constituting a violation of the provisions of this chapter or a failure to comply with any of its requirements, including violations of any conditions and safeguards established in connection with the issuance of variances or special use permits-B or special use

permits-A, shall also subject the offender to a civil penalty of up to five thousand dollars (\$5,000.00).

- (1) In determining the amount of the civil penalty assessment, the administrator shall consider the following factors, and the decision levying a civil penalty shall cite those factors deemed applicable:
 - a The degree and extent of harm to the natural resources of the town and its planning jurisdiction, to the public health, or to private property resulting from the violation;
 - b The extent to which the violation undermines the regulatory objectives of the land use ordinance;
 - c. The duration and gravity of the violation;
 - d. The cost of rectifying the damage;
 - e The amount of money saved by noncompliance;
 - f Whether the violation was committed willfully or intentionally; negligently; or as the result of an unforeseeable or unavoidable accident;
 - g Whether the violator promptly ceased the violation upon notice by the town and took whatever steps were reasonably possible to limit or correct any damage caused by the violation;
 - h. The prior record of the violator in complying or failing to comply with the provisions of this chapter or any of its requirements, including violations of any conditions and safeguards established in connection with the issuance of variances or special use permits-B or special use permits-A;
 - i. The cost to the town of the enforcement procedures;
 - j. The scope and the scale of the project where the violation occurs;
 - k. Whether the civil penalty is levied for a single day's violation or a single event or whether it is levied on a daily basis for a continuing violation, as authorized under subsection (d) below. Civil penalties levied on a daily basis may cumulatively exceed the \$5,000.00 cap set forth in this subsection.
 - 1. Without limiting the authority of the board of adjustment under subsection (e), the board of adjustment may affirm a penalty as

imposed, decrease the amount of the penalty, or increase the amount of the penalty.

- (2) The notice of civil penalty shall inform the violator that the penalty is due upon receipt of the notification and, if applicable, that successive civil penalties of a specified amount shall accrue each day that the violation continues. The notice shall also inform the violator that if the civil penalty is not paid within ten days of receipt of the notice, the penalty may be recovered by the town in a civil action in the nature of debt.
- (3) A civil penalty may be appealed to the Board of Adjustment in accordance with Section 15-91 of this chapter, except that such appeal must be filed within 10 days after receipt by the violator of the notice of civil penalty.
 - An appeal of a notice of violation or other enforcement order stays a. enforcement of the action appealed from and accrual of any fines assessed during the pendency of the appeal to the Board of Adjustment and any subsequent appeal in accordance with G.S. 160D-1402 or during the pendency of any civil proceeding authorized by law or appeals therefrom, unless the official who made the decision certifies to the board after notice of appeal has been filed that, because of the facts stated in an affidavit, a stay would cause imminent peril to life or property or, because the violation is transitory in nature, a stay would seriously interfere with enforcement of the development regulation. In that case, enforcement proceedings are not stayed except by a restraining order, which may be granted by a court. If enforcement proceedings are not stayed, the appellant may file with the official a request for an expedited hearing of the appeal, and the board shall meet to hear the appeal within 15 days after such a request is filed. (AMENDED 6/22/21)
 - b. If a civil penalty is levied for a violation about which the violator was previously sent a final notice of violation in accordance with Section 15-113, and the violator did not appeal to the Board of Adjustment within the prescribed time the administrator's determination as to the existence of the violation, an appeal of the civil penalty under this subsection presents only the issue of whether the administrator erred in setting the amount of the civil penalty, not the issue of whether the violation occurred or the violator's responsibility for the violation. (AMENDED 6/07/88; 4/23/96)
- (c) This chapter may also be enforced by any appropriate equitable action.
- (d) Each day's continuing violation shall be a separate and distinct offense. (AMENDED 6/07/88; 4/23/96)

(e) Any one, all, or any combination of the foregoing penalties and remedies may be used to enforce this chapter.

Section 15-115 Permit Revocation and Building Permit Denial. (AMENDED 10/24/06)

- (a) A zoning, sign, special use permit-A, or special use permit-B may be revoked by the permit-issuing authority (in accordance with the provisions of this section) if the permit recipient fails to develop or maintain the property in accordance with the plans submitted, the requirements of this chapter, or any additional requirements lawfully imposed by the permit issuing board.
- (b) Before a special use permit-A or special use permit-B may be revoked, all of the notice and hearing and other requirements of Article VI shall be complied with. The notice shall inform the permit recipient of the alleged grounds for the revocation.
 - (1) The burden of presenting evidence sufficient to authorize the permit-issuing authority to conclude that a permit should be revoked for any of the reasons set forth in subsection (a) shall be upon the party advocating that position. The burden of persuasion shall also be upon that party. (AMENDED 11/10/81)
 - (2) A motion to revoke a permit shall include, insofar as practicable, a statement of the specific reasons or findings of fact that support the motion.
- (c) Before a zoning or sign permit may be revoked, the administrator shall give the permit recipient ten days notice of intent to revoke the permit and shall inform the recipient of the alleged reasons for the revocation and of his right to obtain an informal hearing on the allegations. If the permit is revoked, the administrator shall provide to the permittee a written statement of the decision and the reasons therefor.
- (d) No person may continue to make use of land or buildings in the manner authorized by any zoning, sign, special use permit-B or special use permit-A after such permit has been revoked in accordance with this section.
- (e) Building permits required pursuant to G.S. 160A-417 may be denied for lots that have been illegally subdivided. No building permit may be denied, however, if the permit applicant can show that he purchased the lot in good faith (i.e. he did not know and had no reasonable way of knowing that the lot was illegally subdivided) and for value. (AMENDED 10/24/06)

Section 15-116 Judicial Review. (AMENDED 4/27/82; 10/21/14)

- (a) Every quasi-judicial decision of the board shall be subject to review by the superior court by proceedings in the nature of certiorari pursuant to G.S. 160D-1402. Appeals shall be filed within the times specified in G.S. 160D-1405(d). Appeals in any such case shall be heard by the superior court of Orange County. (AMENDED 6/22/21)
 - (b) A copy of the writ of certiorari shall be served upon the Town of Carrboro.

Section 15-117 Stop Work Orders. (AMENDED 10/24/89)

- (a) Whenever the land use administrator determines that a person is engaged in doing work that constitutes, creates, or results in a violation of this chapter and that irreparable injury will occur if the violation is not terminated immediately, the administrator may order the specific part of the work that constitutes, creates, or results in a violation of this chapter to be immediately stopped.
- (b) A stop work order issued under this section shall be in writing, directed to the person doing the work and shall state the specific work to be stopped, the specific reasons therefor, and the conditions under which the work may be resumed. A copy of the stop work order shall also be sent forthwith to the owner of the property where the work is taking place and the developer, if different from the owner.
- (c) Any person aggrieved by the issuance of a stop work order may appeal the issuance of the order to the Carrboro Board of Adjustment pursuant to Section 15-91 of this chapter. However, notwithstanding subsection 15-91(d), an appeal shall not stay the operation of the stop work order except as provided in subsection (d) of this section.
- (d) The board of adjustment shall meet and act upon the appeal within 15 working days after receipt of the appeal notice. If the board fails to comply with this requirement, the stop work order shall be stayed automatically beginning on the day following the expiration of this 15-working-day period, and the stay shall remain in effect until the board of adjustment meets and acts on the appeal.
- (e) The notice of hearing requirements set forth in Section 15-102 shall not apply to appeals of stop work orders. However, the staff shall orally notify the appellant of the date, time, and place of the hearing as soon as it has been scheduled and shall send to the appellant a written confirmation of this notice as soon as possible.
- (f) Neither the person whom a stop work order is served nor an owner or developer served with a copy under subsection (b) may thereafter cause, suffer, or permit a violation of the order while it remains in effect, except during a period in which the operation of the order is stayed under subsection (d).

Section 15-118 Statutes of Limitations. (AMENDED 6/22/21)

- (a) Zoning Map Adoption or Amendments. A cause of action as to the validity of any regulation adopting or amending a zoning map adopted under Article XX of this chapter or G.S. 160D-1405 or other applicable law or a development agreement adopted under Article 10 of Chapter 160D of the General Statutes accrues upon adoption of the ordinance and shall be brought within 60 days as provided in G.S. 1-54.1.
- (b) Text Adoption or Amendment. Except as otherwise provided in G.S. 160D-1405(a), an action challenging the validity of a development regulation adopted under this chapter or other applicable law shall be brought within one year of the accrual of such action. Such an

action accrues when the party bringing such action first has standing to challenge the ordinance. A challenge to an ordinance on the basis of an alleged defect in the adoption process shall be brought within three years after the adoption of the ordinance.

- bars a party in an action involving the enforcement of a development regulation or an action under G.S. 160D-1403.1 from raising as a claim or defense in the proceedings or enforceability or the invalidity of the ordinance. Nothing in G.S. sections 160D-1405, 1-54(10) or 1-54.1 bars a party who files a timely appeal from an order, requirement, decision, or determination made by the administrator contending that the party is in violation of a development regulation from raising in the judicial appeal the invalidity of the ordinance as a defense to the order, requirement, decision, or determination. A party in an enforcement action or appeal may not assert the invalidity of the ordinance on the basis of an alleged defect in the adoption process unless the defense is formally raised within three years of the adoption of the challenged ordinance.
- (d) Termination of Grandfathered Status. When a use constituting a violation of this chapter is in existence prior to adoption of the Carrboro Land Use Ordinance creating the violation, and that use is grandfathered and subsequently terminated for any reason, the town shall bring an enforcement action within 10 years of the date of the termination of the grandfathered status, unless the violation poses an imminent hazard to health or public safety.
- (e) Quasi-Judicial Decisions. Unless specifically provided otherwise, a petition for review of a quasi-judicial decision shall be filed with the clerk of superior court by the later of 30 days after the decision is effective or after a written copy thereof is given in accordance with G.S. section 160D-406(j). When first-class mail is used to deliver notice, three days shall be added to the time to file the petition.
- (f) Others. Except as provided by this section, the statutes of limitations shall be as provided in Subchapter II of Chapter 1 of the General Statutes.

Section 15-119 through 15-120 Reserved.



301 W. Main St., Carrboro, NC 27510

Agenda Item Abstract

File Number:22-261

Agenda Date: 9/20/2022 File Type: Agendas

In Control: Board of Aldermen

Version: 1

TITLE:

Grant Project Ordinance for FY21-22 Orange County Community Climate Action Grant Funding

PURPOSE: The purpose of this item is for the Town Council to adopt the Project Ordinance authorizing the Town Manager to accept two grants from the FY21-22 Orange County Community Climate Action Grant Fund and enter into agreements with Orange County for grant administration.

DEPARTMENT: Planning Department, Finance Department

CONTACT INFORMATION: Laura Janway, Environmental Sustainability Coordinator, ljanway@townofcarrboro.org, (919) 918-7326; Patricia McGuire, Planning Director, pmcguire@townofcarrboro.org, (919) 918-7327; Arche McAdoo, Finance Director, amcadoo@carrboronc.gov, (919) 918-7300

INFORMATION: During the FY21-22 round of funding, the Town of Carrboro submitted two applications to the Orange County Community Climate Action Grant Program. Orange County awarded \$40,567.50 to the Town for the installation of a green roof and a photovoltaic (PV) solar array on the west roof of the 203 South Greensboro Street Project and \$3,765 for a part-time staff member to monitor food waste collection at the Carrboro Farmers' Market for one year.

Food Waste Collection Program

Orange County Solid Waste Management has been providing free food waste collection on Saturdays at the Carrboro Farmers' Market since 2016. Participants can bring all food scraps for collection, including those which are not recommended for backyard compost. The organic waste is collected weekly by Brooks Contractors, a local commercial composting company.

The food waste collection program requires a monitor who sets up the collection station, changes out full bins, counts patrons, helps avoid bin contamination, and provides guidance to program participants. Orange County Community Climate Action Grant funding will be used to pay a part-time employee to perform these duties for one year. This program helps the Town fulfill Community Climate Action Plan Ecosystem Recommendation #3, which recommends accelerating efforts to study and implement a comprehensive organics collection and composting program. The program will also help the Town reach its greenhouse gas emissions reduction goal of an 80% reduction in 2010 emissions levels by 2030.

Agenda Date: 9/20/2022 File Type: Agendas

In Control: Board of Aldermen

Version: 1

FISCAL & STAFF IMPACT: The Town has been awarded two grants from Orange County through the FY 2021-22 Community Climate Action Grant Program in the amount of \$44,332.50, for the installation of a green roof and a PV solar array on the west roof of the 203 South Greensboro Street Project and for a part-time employee to monitor food waste collection at the Carrboro Farmers' Market for one year.

These grant revenues are appropriated as follows:

PV Solar Array Project \$40,567.50 Part-time monitor for food waste collection \$3,765.00 Total \$44,332.50

RECOMMENDATION: Staff recommends that the Town Council consider adopting the resolution provided (Attachment A), authorizing the Town Manager to accept two Community Climate Action Grant awards from Orange County and permitting the Manager to enter into agreements with Orange County for grant administration.

GRANT PROJECT ORDINANCE FOR FY21-22 ORANGE COUNTY COMMUNITY CLIMATE ACTION GRANT FUNDING

WHEREAS Orange County has awarded two grants to the Town of Carrboro under its FY 2021-22 Orange County Community Climate Action Grant Program: and,

WHEREAS \$40,567.50 is for the installation of a green roof and a photovoltaic (PV) solar array on the west roof of the 203 South Greensboro Street Project; and \$3,765.00 is for a part-time employee to monitor food waste collection at the Carrboro Farmers' Market for one year; and,

WHEREAS Orange County requires the Town to enter into a grant agreement to govern the receipt and use of these awards; and,

WHEREAS the Town Council deems this activity to be a worthy and desirable undertaking;

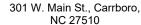
NOW, THEREFORE PURSUANT TO N.C.G.S 159-13.2, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF CARRBORO THAT:

- 1. The Town Council accepts the FY 2021-22 Community Climate Action Grants from Orange County in the amount of \$44,332.50, for the installation of a green roof and a PV solar array on the west roof of the 203 South Greensboro Street Project and for a part-time employee to monitor food waste collection at the Carrboro Farmers' Market for one year.
- 2. These grant revenues are appropriated as follows:

PV Solar Array Project	\$ 40,567.50
Part-time monitor for food waste collection	\$ 3,765.00
Total	\$ 44,332.50

- 3. The funds in Section 2 above shall be available for expenditure until completion of the projects.
- 4. The Town Manager is authorized to execute the required Grant Agreements and any other required documents with Orange County for the receipt and use of these funds.
- 5. The Finance Officer is authorized to make the necessary and appropriate transfer of funds identified as needed.
- 6. Upon adoption, the Town Clerk shall file a copy of this ordinance with the Finance Director.
- 7. This project ordinance is effective immediately.

The foregoing ordinance having been submitted to a vote of the Town Council and received the following vote and was duly adopted this 20th day of September 2022.





Agenda Item Abstract

File Number: 22-264

Agenda Date: 9/20/2022 File Type: Agendas

In Control: Board of Aldermen

Version: 1

TITLE:

Appointment of Affordable Housing Advisory Commission Member to 2nd Term **PURPOSE:** The purpose of this agenda item is for Council to consider reappointment of Affordable Housing Advisory Commission member Betty Curry to a 2nd three-year term.

DEPARTMENT: Town Clerk

CONTACT INFORMATION: Wesley Barker, <u>wbarker@carrboronc.gov</u> , 919-918-7309

INFORMATION: Betty Curry's 1st three-year term on the Affordable Housing Advisory Commission (AHAC) has expired and she is eligible for a 2nd three-year term upon Council approval. Ms. Curry is interested in reappointment and the AHAC chair has completed the chair form to recommend Ms. Curry's reappointment. The following attachments accompany this agenda item: Attachment A- Resolution to reappoint Betty Curry to AHAC for a 2nd term; Attachment B- Betty Curry's initial AHAC application and completed chair form; Attachment C- Current AHAC roster.

Please note that there is one outstanding vacancy on the AHAC currently. Several applications have been received and the applicants will be invited to attend upcoming AHAC meeting(s), or a meeting with the chair, per the Town's Advisory Board recruitment and Appointment Policy. Once the applicants have attended an AHAC meeting or met with the AHAC chair, the chair will submit a chair form to the Town Clerk. Once these are received, this will be brought to Council for consideration of appointment.

FISCAL & STAFF IMPACT: N/A

RECOMMENDATION: It is recommended that Council approve the resolution (attachment A) which will reappoint Ms. Curry for a 2nd term to the AHAC.

A RESOLUTION MAKING AN APPOINTMENT TO THE AFFORDABLE HOUSING ADVISORY COMMISSION

The Carrboro Town Council hereby appoints the following applicant to the Affordable Housing Advisory Commission:

Seat Designation	Appointee	Term Expiration
In-town member	Betty Curry	9/2025

This resolution shall become effective upon adoption.

Print

Advisory Board Chair Report (Complete One Per Applicant) - Submission #6311

Date Submitted: 4/14/2022

Advisory Board Name:*	Chair Name*			
AHAC	Quinton Haprer			
Applicant First Name:*	Applicant Last Name:			
Betty	Curry			
1. Has the applicant previously served on this or another advisory board? * Yes No	2. If yes, how many total years have they served? 3 years This should be available on the application or by asking the applicant.			
3. Is the applicant already serving on this advisory board and seeking reappointment to their second, full term? Yes (Skip to Last Question) No	4. Is the applicant already serving on this advisory board and completed their two full terms? Yes No			
5. Is the applicant applying for a special or expert seat on the ad Yes No	bisory board?* 6. If yes, which seat?			
7. Did the applicant attend an advisory board meeting?* Yes No	8. If applicant did not attend an advisory board meeting, did you contact them via phone or email? Yes No			

9. Applicant has demonstrated a clear understanding of the time commitment, roles, and responsibilities of serving on	10. If no, briefly explain:
the advisory board:	
Yes	
No	
11. In addition to your comments above, please check other qualitities goals for community representation. Please note that candidate appointment. Please communicate any urgent needs and priorities Diversity Occupation, Experience, or Special Skills	
Other	
If other, please explain:	

Catherine Dorando

From: Sent: noreply@civicplus.com

Sent: To: Tuesday, February 05, 2019 12:55 PM

Catherine Dorando

Subject:

Online Form Submittal: Advisory Board Application

Advisory Board Application

First Name	Betty
Last Name	Curry
Date	2/5/2019
Address1	501 Jones Ferry Rd apt T1
Address2	Field not completed.
City	Carrboro
State	NC
Zip	27510
Is this address located within the corporate limits of the Town of Carrboro?	Yes
Is this address located within the Town's ETJ, Planning Jurisdiction, or Northern Transition Area?	No
Telephone	9192433092
Email Address	umjamal24@msn.com
Date of Birth	7/25/1960
Race	Black
Sex	Female
Occupation	Bookseller
Are you a registered	Yes

Orange County Voter?	
Length of Residence in Orange County	15 years
Length of Residence in the Town of Carrboro	4
I wish to be considered for appointment to the following committee/board(s) (Select no more than two (2)):	Affordable Housing Advisory Commission
Other (advisory board not listed):	Affordable Housing Advisory Board
Advisory Board Preference	None
*Employer/Self Employed	UNC Barnes & Noble
Number of Years Employed	7 years
* Provide examples of how you are involved in the promotion of travel and tourism in the Town of Carrboro.	Field not completed.
Community Activities/Organizational Memberships	The community activities I am currently involved are CFRE, NAACP Educational Committee, and I recently took on a position with the new EAC (Equity Advisory Council)
Experience to Aid You in Working on Advisory Boards	The experience I have to aid in working on advisory board are my connection with the community in the housing developement, also I am a women of color, a single mom of three, and grandmother of nines, which qualify me to be apart, affordable housing is one of our major issue when it comes to education of our children, I firmly believe their is a direct connection when it comes to education in our communities.
Reasons You Wish to be Appointed	Well, the reason why I wish to be appointed is the result of a recommendation, which one felt I would be perfect for the team, however, I have never been appointed in such position, but I look forward to having a voice in making affordable housing exist for all neighborhoods

Have you ever served on any Town of Carrboro Committee or Board?	No
If yes, which one(s)?	Field not completed.
Are you currently serving on a Town Board or Committee?	No
If yes, are you applying for a third consecutive term?	No
If yes, please describe how you meet one, or more, of the following exceptions noted below.	None

Email not displaying correctly? View it in your browser.

Membership Information Matrix

Affordable Housing Advisory Commission (AHAC)

Name	Address	Year of Birth	Race (as noted by applicant)	Ethnicity (as noted by applicant)	Sex	SEAT DESIGNATION- In-town resident (5), ETJ (1), special expertise related to affordable housing (1)		Appointed Date
CURRENT MEMBERS								
Amy Singleton	1215 Hillsborough Rd	1968	Caucasian	Not stated	Female	In-town resident	Administrator	3/16/2021
Lindsay Griffin	115 Barnes St	1976	White	Not stated	Female	In-town resident	Communications & Marketing Mgr	10/12/2021
Quinton Harper	501 Jones Ferry Rd., U7	1985	Black	Not stated	Male	In-town resident	Community Organizer/Field Director	2/24/2020
Betty Curry*	501 Jones Ferry Rd., T1	1960	Black	Not stated	Female	In-town resident	Bookseller	2/26/2019
Heather Nash	103 W. Main St	1975	Indigenous	Not stated	Female	In-town resident	Student	3/16/2021
Bobby Funk	1713 Pathway Dr	1985	White	Caucasian	Male	Special expertise related to affordable housing	Affordable Housing Developer	10/12/2021
Vacant Seat						ETJ		
* Eligible for reappointment								
								ļ



Agenda Item Abstract

File Number:22-258

Agenda Date: 9/20/2022 File Type: Agendas

In Control: Board of Aldermen

Version: 1

TITLE:

Update on Starlite Drive Traffic Calming and Approval of Town Code Amendments Relating to Parking and Traffic Control Signage

PURPOSE: The purpose of this agenda item is to provide the Town Council with an update on the installation of traffic calming and other safety measures for Starlite Drive, and to request adoption of the recommended amendments to the Town Code related to signage for on-street parking and traffic control devices.

DEPARTMENT: Planning & Public Works

CONTACT INFORMATION: Tina Moon, Planning Administrator, 919-918-7327, cmoon@carrboronc.gov; Kent Johnson, Transportation Planner, 919-918-7329, kjohnson@carrboronc.gov; Max Randall, Engineer I, 919-918-7436, mrandall@carrboronc.gov

INFORMATION: An update on Transportation projects was provided to the Town Council on June 14, 2022 (Town of Carrboro - File #: 22-206 (legistar.com) https://carrboro.legistar.com/LegislationDetail.aspx?
ID=5681978&GUID=D417627C-CE28-43BB-8085-365F9D02DC4C&Options=&Search=">ID=5681978&GUID=D417627C-CE28-43BB-8085-365F9D02DC4C&Options=&Search=">ID=5681978&GUID=D417627C-CE28-43BB-8085-365F9D02DC4C&Options=&Search=">ID=5681978&GUID=D417627C-CE28-43BB-8085-365F9D02DC4C&Options=&Search=">ID=5681978&GUID=D417627C-CE28-43BB-8085-365F9D02DC4C&Options=&Search=">ID=5681978&GUID=D417627C-CE28-43BB-8085-365F9D02DC4C&Options=&Search=">ID=5681978&GUID=D417627C-CE28-43BB-8085-365F9D02DC4C&Options=&Search=">ID=5681978&GUID=D417627C-CE28-43BB-8085-365F9D02DC4C&Options=&Search=">ID=5681978&GUID=D417627C-CE28-43BB-8085-365F9D02DC4C&Options=&Search=">ID=5681978&GUID=D417627C-CE28-43BB-8085-365F9D02DC4C&Options=&Search=">ID=5681978&GUID=D417627C-CE28-43BB-8085-365F9D02DC4C&Options=&Search=">ID=5681978&GUID=D417627C-CE28-43BB-8085-365F9D02DC4C&Options=&Search=">ID=5681978&GUID=D417627C-CE28-43BB-8085-365F9D02DC4C&Options=&Search=">ID=5681978&GUID=D417627C-CE28-43BB-8085-365F9D02DC4C&Options=&Search=">ID=5681978&GUID=D417627C-CE28-43BB-8085-365F9D02DC4C&Options=&Search=">ID=5681978&GUID=D417627C-CE28-43BB-8085-365F9D02DC4C&Options=&Search=">ID=5681978&GUID=D417627C-CE28-43BB-8085-365F9D02DC4C&Options=&Search=">ID=568197869D02DC4C&Options=&Search=, which included information on the Starlite Drive project. After discussion, staff was directed to:

- 1) move forward with the installation of one to three speed table(s) on Starlite Drive
- 2) arrange for a community meeting to ensure that residents were kept up to date on the project, and
- 3) reach out to a resident with mobility challenges to discuss wheelchair accessibility

Following the Town Council meeting, staff from the Planning and Public Works departments met with the Town Manager on July 7th to discuss the design and schedule for implementation. The Traffic and Parking Committee, an interdepartmental workgroup consisting of representatives from Public Works, Police, Fire, Economic and Community Development and Planning met on July 21st to review the recommended design: one speed table, in front of 110 Starlite Drive, a new stop sign for westbound traffic at 104 Starlite Drive and modifications to existing signage to clarify the location on-street parking (Attachment A).

Starlite Drive residents/owners were invited to a neighborhood information meeting on July 23, 2022, at

Agenda Date: 9/20/2022 File Type: Agendas

In Control: Board of Aldermen

Version: 1

Baldwin Park to discuss the plan and solicit feedback (see Attachment B, *invitation mailing & follow-up mailing*). There was some discussion of a temporary speed bump being used instead of an asphalt one. Staff noted that the asphalt installation results in a more accessible path for non-vehicular users and is less damaging to the pavement itself. There was also some discussion about the use of mirrors at one or both 90-degree turns on Starlite Drive. Convex minors are not a recommended treatment for traffic calming as they can generate glare and distort the view/sense of speed of approaching cars.

Those in attendance were supportive of the plan and eager to see it advance, particularly the installation of the speed table. The improvements included in the plan of action appear to address community interests related to slowing down vehicles in a manner that would not hinder accessibility and will clarify where on-street parking is or is not allowed. There was previous exploration of installing a designated pedestrian lane along the west side of Starlite Drive, but this would involve the removal of the existing on-street parking on the east side of Starlite Drive, something that is not desired at this time.

A draft ordinance has been prepared, that if approved, would amend Chapter 6 of the Town Code in Article II, Traffic Control and Traffic Devices, to add the new stop sign at 104 Starlite and in Article IV, Parking, to limit on-street parking to one side of the street to improve emergency access (Attachment C). The amendment also addresses a clerical error by removing a reference to the intersection at Fowler Street and Starlite Drive in Section 6-4(a).

Construction of the speed table and associated pavement markings is anticipated for October 2022; the installation of the signage would occur about the same time.

FISCAL & STAFF IMPACT: There is minimal staff impact associated with updating the Town Code. Costs associated with the installation of the speed table and pavement markings, approximately \$8,000 was included as part of the speed table contract (approved on September 13th) and will be charged to the Powell Bill fund. The sign costs, estimated at \$250 will be paid for out of the streets and grounds maintenance budget for Public Works.

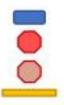
RECOMMENDATION: Staff recommends that the Town Council receive the update and adopt the Town Code amendments as provided in Attachment C.

Proposed Plan



Legend

New speed table New stop sign Existing stop signs On-street parking (approximate)

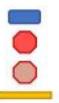


Plan Propuesto



Legend

Nueva tabla de velocidad Nueva señal de stop/alto Señales de alto existentes En el estacionamiento de la calle (aproximado)





Please join Town staff for a drop-in informational meeting about traffic calming on Starlite Drive.

SATURDAY, JULY 23, 2022 FROM 10:00 AM TO 11:30 AM Henry W. Baldwin Park, Broad Street



For questions or more information please contact, Tina Moon, Planning Administrator, at 919-918-7325, or cmoon@carrboronc.gov



TOWN OF CARRBORO

NORTH CAROLINA

September 9, 2022

Dear Property Owners & Residents,

On July 23, 2022, staff from the Town's Planning and Public Works departments held a neighborhood information meeting to seek input on safety improvements including traffic calming along Starlite Drive. Ten residents were in attendance. The following items were discussed.

Proposed Changes (see attached illustration)

- Construction of a **speed table** (approximately in front of 110 Starlite Drive). The location of the new table has been marked in the street with pink paint.
- Installation of a **new stop sign** for traffic traveling westbound approaching the first turn along Starlite Drive (on the south side of 104 Starlite Drive).
- **Sign changes** to clarify the location of on-street parking and to improve safety.

Discussion

- Residents expressed support for the speed table.
- There was some interest in pursuing the installation of a convex mirror to provide better visibility at corners. The installation of the new stop sign/stop bar along the south section of Starlite will require vehicles moving west bound to stop—reducing a potential conflict point. Convex mirrors are not a recommended treatment for traffic calming as they can generate a glare and distort the view/sense of speed of approaching cars/images.
- Residents conveyed their interest in moving forward, particularly with the speed table as soon possible.

Schedule for Next Steps

- On September 13th, the Town Council is scheduled to consider a contract for the construction of speed tables throughout Carrboro. If approved, it is anticipated that the installation of the **speed table** on Starlite would be installed in the **first week in October**, pending the contractor's availability.
- On September 20th, the Town Council is scheduled to receive an update on the traffic calming proposal for Starlite and to consider Town Code amendments relating to the new stop sign other sign changes. If approved, the **installation of signage could occur in late September/early October**.
- Public Works staff will also trim vegetation in the right-of-way to improve visibility, particularly around signage.

Thank you for your participation in this effort to improve safety along Starlite Drive. Approximately 6-12 months after the changes have been made, a follow-up analysis will be done to measure the effectiveness of the changes. Feel free to contact me anytime with your questions or comments (kjohnson@carrboronc.gov or 919-918-7329).

Sincerely,

Kent Johnson

Transportation Planner

Kenf w. Olem

AN ORDINANCE AMENDING THE CARRBORO TOWN CODE ON PARKING RESTRICTIONS AND TRAFFIC CONTROL DEVICES ALONG STARLITE DRIVE

DRAFT

THE CARRBORO TOWN COUNCIL ORDAINS:

Section 1. Article II, of Chapter 6 Section 4, subsection (a) of the Carrboro Town Code (Stop Signs Required at Certain Intersections) is amended by deleting the following intersections:

Fowler Street Starlite Drive (Amend 3/2/04)

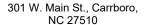
Starlite Drive Sunset Drive Starlite Drive Starlite Drive

Section 2. Article II, of Chapter 6 Section 5, subsection (a) of the Carrboro Town Code (Stop Signs at Places Other Than Intersections) is amended by deleting the sentence, "All stop signs in the city limits of Carrboro are located at intersections," and adding the following locations:

Starlite Drive (westbound) approximately 300 feet west of Sunset Drive Starlite Drive (eastbound) approximately 170 feet east of Broad Street

Section 3. Article IV, of Chapter 6, Section 19, Subsection (b)(1) of the Carrboro Town Code (No Parking At Any Time) is amended by rewriting subdivisions (pp), (ppp) and (sss) to read as follows:

- (pp) The south side of Starlite Drive from the intersection of Starlite Drive and Broad Street continuing through its first ninety degree turn along the west side of the street and continuing through its second ninety degree turn along the south side of the street to the Carrboro Town limit. (Created 6/9/15)
- (ppp) On the outside curve of Starlite Drive approximately 200 feet east of Broad Street, from a point 25 feet south of the south curbline to a point 25 feet west of the west curbline.
- (sss) The south side of Starlite Drive from the Carrboro Town Limits to its ninety-degree bend to the north
 - **Section 4.** All provisions of any town ordinance in conflict with this ordinance are repealed.
 - **Section 5.** This ordinance shall become effective upon adoption.





Town of Carrboro

Agenda Item Abstract

File Number:22-263

Agenda Date: 9/20/2022 File Type: Agendas

In Control: Board of Aldermen

Version: 1

TITLE:

Acceptance of and Authorization to Implement the Classification and Compensation Study Report

PURPOSE: The purpose of this agenda item is to request that the Town Council accept the Classification and Compensation Study Report and approve the implementation plan.

DEPARTMENT: Town Manager's Office and Human Resources

CONTACT INFORMATION: Richard White, Town Manager - Rwhite@carrboronc.gov; Julie Eckenrode, Human Resources Director - Jeckenrode@carrboronc.gov

INFORMATION: On March 8, 2022, the Town Council authorized the Town Manager to enter into a contract with Management Advisory Group International, Int. (MAG) to conduct a Compensation and Class Study. The goal of this study was to position the Town of Carrboro as a competitive employer by providing a sound compensation strategy, ensuring equitable compensation across all Town positions, and addressing recruitment and retention challenges within the tight labor market.

MAG initially met with Department Directors to explain the study's approach, methodology, and process. The comprehensive study included receiving employee input related to all ninety-one positions in the Town at the time of the study as well as a market survey benchmarking nearly one-third of all positions against twenty peer and competitor government employers. Ultimately, it was determined that the Town's salaries are lagging the market rate minimum salaries by 7.5%. Additionally, all positions were placed in a new unified range plan with employees performing the same level of duties and responsibilities positioned in the same class and pay grade, regardless of the number of hours worked. These new ranges are competitive with the market.

In January 2022, Police Department staff received an initial market adjustment. In July 2022, all permanent Town employees, including the Police Department staff, received a \$3,000

Agenda Date: 9/20/2022 File Type: Agendas

In Control: Board of Aldermen

Version: 1

adjustment. Together, the two adjustments lessened the total impact of the cost to implement the recommended position classification and pay plan.

A proposed implementation plan includes the following:

- Adopting the proposed unified pay plan;
- Providing all employees with a 2% across-the-board pay adjustment;
- Providing 42 employees adjustments to their new pay grade minimum; and
- Providing 59 employees adjustments related to internal equity and longevity.

On September 13, 2022, Steve Foster, MAG Senior Consultant, provided an overview of the study. The Town Council discussed the Classification and Compensation Study Report and postponed voting on the study until September 20th to provide time for them to receive the answers to several questions.

The proposed implementation date is October 8, 2022. MAG also provided a proposed compensation philosophy, selected compensation policy recommendations, and a memorandum on the Town Manager and Town Clerk salaries.

FISCAL & STAFF IMPACT: The fiscal impact to implement the findings and conclusions of this study will increase total salaries by \$434,087 from \$9,497,941 to \$9,932,028. The increase in benefits for FICA, retirement and 401K associated with these changes will cost an additional \$100,814. The Town's budget for FY23 includes carryover of \$660,220 from the FY22 budget. The remaining staff impact will be related to the implementation of the study findings.

RECOMMENDATION: The Town Manager recommends that the Town Council adopt the attached Resolution, which includes accepting and authorizing the full implementation of the study.

A RESOLUTION FOR THE IMPLEMENATION OF THE COMPREHENSIVE COMPENSATION AND CLASS STUDY CHANGES

WHEREAS, the Town of Carrboro contracted with Management Advisory Group, Inc. (hereinafter "MAG") in March of 2022 to conduct a comprehensive study of the Town's Position Classification and Pay Plan; and

WHEREAS, in accordance with the terms of the contract, MAG delivered a final report to the Town in September of 2022 recommending changes to the Town's pay and classification plans;

WHEREAS, the Town Manager and the Human Resources Director have reviewed the final report and have shared the findings with the Directors of each department within the Town; and

WHEREAS, funding in the amount of \$660,220 have been designated as carryover for expenditure in FY 2022-23 operating budget; and,

WHEREAS, the findings and recommendations of the study are acceptable and feasible.

NOW THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF CARRBORO THAT:

- 1. The recommended findings and changes to the Town's Position Classification and Pay Plan as presented in MAG's final report are hereby accepted.
- 2. The Town's Position Classification and Pay Plan is hereby modified in accordance with the findings and recommendation of MAG's final report.
- 3. The Town Manager is authorized to implement the changes to the Position Classification and Pay Plan effective October 8, 2022.
- 4. The Town Manager is authorized to make the necessary budget amendment(s) for the implementation of the new Pay Plan.
- 5. Within five (5) days after this resolution is adopted, the Town Clerk shall file a copy of this resolution with the Finance Director.
- 6. This resolution is effective immediately.

This the 13th day of September in 2022.

Classification and Compensation Study Final Draft Report



Town of Carrboro, North Carolina

September 2022



2992 Reidville Road Spartanburg, SC 29301 703-590-7250 – phone



MANAGEMENT ADVISORY GROUP INTL., INC.

MANAGEMENT CONSULTING SERVICES

September 6, 2022

Julie Eckenrode, MPA, IPMA-SCP Human Resources Director jeckenrode@townofcarrboro.org 919.918.7308

Dear Julie,

Management Advisory Group International, Inc. (MAG) is pleased to present this final draft *Classification and Compensation Study Report* to the Town of Carrboro. We would ask you and top staff to review the report and MAG's compensation and classification recommendations. This report has been developed based on job analysis of included classifications (internal relationships) and market analysis (external competitiveness). The report is organized into the following sections:

- Section 1: Compensation Philosophy
- Section 2: Introduction and Approach
- Section 3: Selected Compensation Policies
- Section 4: Current/Original Pay Structure and Plans
- Section 5: Salary Survey Summary
- Section 6: Proposed Pay Structures and Plans
- Section 7: Alphabetical Class List
- Section 8: Class Comparison List

MAG would like to express our thanks to all employees and staff who have participated in this important project. We look forward to your questions and input concerning the proposed plan. Please feel free to contact us at (703) 590-7250 as needed.

Sincerely,

Donald C. Long, Ph.D.

President, Management Advisory Group International, Inc.

12730 Fair Lakes Circle, Suite 600

Donald C Long

Fairfax, VA 22033 Phone: (703) 590-7250 Email: don@maginc.org

Town of Carrboro, North Carolina Classification & Compensation Study Final Draft Report

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Transmittal Letter

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Section 8.0 – Classification Comparison List	Section 8

SECTION 1.0 Proposed Compensation Philosophy

1.0 Proposed Compensation Philosophy for the Town of Carrboro

The Town of Carrboro strives to provide exemplary service to the community by being a model for 21st Century government.

Recognizing the importance of our workforce of dedicated and talented professional staff, we are committed to promoting organizational and community values that include: **exceptional service to the public**; **consistent and excellent performance**; **innovation**; **good fiscal, social, and environmental stewardship**; and ethical behavior.

To achieve and maintain our high standards of service and performance, the Town must continue to attract and retain well-qualified staff who exemplify the organization's values. A public service environment that is attractive to such individuals depends upon many factors, including pride, teamwork, a competitive compensation program, and non-monetary benefits such as recognition in the workplace for accomplishments, professional development and opportunities for promotion and a positive work environment.

The Town is committed to being an "employer of choice" as part of an overall strategy of attracting and retaining talent that will uphold the Town's organizational values.

The compensation program is committed to retaining and attracting high-skilled, high-performing staff capable of delivering the highest standards of public service to our community. The Town expects all staff to consistently perform to those high standards in their work performance, customer service, ethics and passion for public service.

The Town strives to administer pay and benefits in a way that is fair and transparent to all, that provides equal pay for equal work, and that does not take into consideration race, ethnicity, religion, sex, gender, sexual orientation, gender identity or expression, or other factors unrelated to work performance.

In order to provide competitive, sustainable, and responsible compensation, the Town will consider the following:

Total compensation which consists of but is not limited to: direct compensation, e.g. salary; and indirect compensation such as health insurance, retirement, professional development and time-off benefits.

In evaluating competitive compensation, the Town will consider:

- A. Financial sustainability as reflected by the Town's financial forecasts and revenue projections, competing service priorities, long-term liabilities, capital improvement and other asset requirements, and fund reserve levels.
- B. The "relevant labor market" which may vary depending upon classification but is primarily defined by geographic region (predominately local and/or state-wide) and key markets (municipal and other government agencies) and if applicable, private sector when readily available and effectively comparable.
- C. "Internal Relationships" referring to the relative value of classifications to one another as determined by the Town. The Town will compare responsibilities, skill level, knowledge, ability and judgment to determine similarity, and evaluate the equity of pay differentials.
- D. Other relevant factors may include unforeseen economic, regulatory or service changes.
- E. We seek transparency with the community, recognizing that taxpayers and ratepayers ultimately fund all employee compensation and deserve commensurate value from all those who work for the Town. This includes not only disclosure of the components of workforce compensation, but adequate advance notice of material policy changes in order to participate effectively in decision-making that affects the Town's finances.

Ideally, every five years, the Town will evaluate its compensation structure, programs and policies to assess market competitiveness, effectiveness and compliance with applicable State and federal law. This is with the understanding that more frequent adjustments to the compensation structure may be needed as a result of intermittent evaluations or other factors already cited. This will be accomplished by working with Town human resources staff to fairly apportion compensation and benefits, utilizing all the resources and tools available to the Town.

SECTION 2.0 Introduction and Methodology

2.0 Introduction & Methodology

Introduction

The Town of Carrboro contracted with Management Advisory Group International, Inc. (MAG) to conduct a compensation review and assessment of job classifications study for current Town classifications. This report presents the findings and recommendations of the study. MAG's findings and recommendations are based on:

- market review;
- current organizational structure;
- discussions with human resources professionals and management;
- job analysis based on current class/job descriptions and completion of Job Analysis Questionnaires by incumbent employees;
- internal equity and external competitiveness considerations.

The goal of the Town for this project was to provide the foundation for an appropriate classification and compensation system and pay plan based on current compensation levels for similar public sector employers, municipalities, and local market competitors. In response, MAG has developed a proposed pay plan and developed salary adjustment recommendations for current incumbents in included Town classifications.

Project Focus

The objectives of the study were to:

- Conduct a review of included Town job titles;
- Review salary and compensation information from similar/competitor organizations;
- Develop a revised classification plan; and,
- Develop a revised compensation and pay plan;
- Provide options for the Town's consideration to find a reasonable and cost-effective way to transition to the new plan(s).

A list of project tasks and activities is indicated below by Exhibit 2-1.

EXHIBIT 2-1 TOWN OF CARRBORO PROJECT TASKS

- <u>Project Initiation</u> Developed project proposal, work plan and timeline. Discussed with Town administration and revised project work plan.
- <u>Initial Meetings</u> Met with Town Human Resources administration and Town leadership to clearly define the scope, goal(s), and objective(s) for the proposed study.
- <u>Developed Comprehensive Market Survey</u> MAG developed a market survey document for target agencies. Reviewed/evaluated class/job descriptions for included classifications to gather job specific information on scope/level of duties/responsibilities and essential job attributes.
- <u>Reviewed Job Analysis Questionnaires</u> Reviewed/evaluated current job duties provided by nearly all employees in the online Job Analysis Questionnaire for included classifications. Questionnaires were completed for 88 of the 89 job titles (Public Works Director is vacant).
- <u>Reviewed market information</u> Reviewed market data from target organizations for selected (33) Town benchmark classifications.
- <u>Conducted Job Analysis</u> Analyzed jobs and created profiles based on information in current class/job descriptions and the data in the Job Analysis Questionnaires.
- <u>Developed Revised Pay Plan</u> Developed a preliminary proposed pay plan based on the results of the market information, job analysis profiles and internal/external equity considerations.
- <u>Developed Salary Adjustment Recommendations</u> Developed salary adjustment recommendations for all included Town classifications based on the revised pay plan(s) and employee classification, longevity in current positions and current salary.
- <u>Developed & Submitted Draft Report</u> Developed and submitted a Draft Report for Town review integrating the job analysis, proposed pay and classification plan, market information, and implementation recommendations.
- **Revised Draft Report** Incorporated the Town's technical review of materials.
- **<u>Develop & Submit Final Report</u>** Submit a Final Report upon final review at a date to be determined.

Approach Overview

The study methodology included:

- collection of current personnel, human resources and organizational background information;
- review/analysis of current class/job descriptions;
- identification of classification benchmarks;
- conduct a market review of the Town's market position;
- monitoring of Job Analysis Questionnaires completed by employees;
- review of the job data provided by employees; and,
- analysis with recommendations concerning the relative ranking of included Town government positions to develop a classification plan that will ensure internal equity.

Initial Meetings and Orientation

Upon agreement to proceed, the project team met with Human Resources staff to discuss the study's objectives, along with the strengths and needs of the current organizational compensation management systems. Town management provided input regarding the Town's preferences and needs of the systems to be developed. MAG's representatives requested documentation about current compensation and classification programs, met with HR management to discuss these systems, and developed an understanding of concerns to be addressed.

The study results and outcomes are not the result of decisions made in isolation by the consultant but are the result of the consultants working to order responsibilities of the work into a compensation and classification plan that serves as a starting point for making current and future compensation and classification decisions.

Market Review

The Town employs a wide range of jobs that contain a mix of work responsibilities found in both the public and private sectors. The Market Review reflected the variety of duties and responsibilities in which Town government employees engage.

In establishing a competitive market for the employees of the Town, and to enable the Town to support growth, recruitment and retention in the exciting years ahead, MAG developed a list of target organizations to be reviewed.

Organizations typically included as competitors in a market review are those that are:

- competing with Town government for employees, for positions at all levels of the pay structure;
- geographically situated in such a fashion as to almost automatically be considered a competitor;
- structured similarly to the Town, or providing similar types of services;
- attractive to highly valued employees for one reason or another; and,
- within a reasonable commuting distance.

Organizations surveyed and reviewed included:

Chapel Hill
Clayton
Durham
Apex
Garner
Hillsborough
Holly Springs
Kernersville
Orange County
Morrisville
Chatham County

Sanford

Statesville

Thomasville

Cary

Raleigh

Greensboro

Burlington

OWASA

Mebane

Proposed Pay Plans

Specific details of the plans are provided in report tables starting in section 6.0. The proposed pay plans put employees into a Unified range plan. Employees performing the same duties were placed in the same class and pay grade, regardless of the number of hours (PT/FT).

Implementation Costs

MAG's implementation options and recommendations consider the following:

- Current salary;
- Current job title; and
- Longevity within the current position.

If the employee's current salary exceeds the target salary, then the calculations did not provide any further adjustment. No employee is recommended for any decrease in salary, even if the current salary substantially exceeds the target salary.

MAG does recommend that any employee whose current salary exceeds the target salary should continue to advance through the ranges until they reach the range maximum.

No employee should receive any additional salary adjustments once their salary has reached the maximum of the range. The recommendation is to freeze the salary until market data supports an increase in pay range maximum. Progressive governments often coordinate with MAG on an annual basis to refresh their market competitive position to ensure that they do not "lose ground" from a compensation perspective.

Pay Plan Structure

MAG has established a Unified pay plan structure for all included positions within the scope of the study. It provides for ranges of approximately 55% from minimum to maximum, which reflects the market surveyed. There is 5% between each pay grade. The structure recommended is transparent, permits employees to have a perspective that provides some security, but it still wholly dependent on the Town's ability to fund future structure adjustments.

<u>Plan Implementation</u>

MAG recommends that the new compensation structure go into effect as soon as feasible along with the recommended salary adjustments. The initial calculations reflect the optimal implementation plan. The first suggested action is to provide an across the board amount to eligible employees, then to bring employees at least to the minimum of the recommended pay range. An additional action of providing "equity" adjustments, based on time in position, is also noted. If this level of funding is not practical, MAG can work with Administration to identify more affordable options for implementation. The total costs are noted in sections 9.0 (indicates costs per job title or classification) and 10.0 (indicates detail of implementation by employee).

Salary Compression

Salary compression, also known as wage or pay compression, is pay differential that results from various causes, but that is often deemed as unfair or unequal by members of the workforce within the organization. It is an issue that many management and human resources professionals deal with on a regular basis. There are numerous reasons for these kinds of differentials that occur, and they often seem justified in the outset. However, over time, wage compression can lead to low morale and hurt feelings within the ranks of previously loyal employees.

Examples of Salary Compression

Salary compression is not a new concept. For example, it is a common practice for an organization to offer a higher starting salary to sought after employees who may be seen as "rock stars" or as someone who has a great deal to offer the organization. Higher pay is used as an incentive to lure the candidate. It is also seen when viewing fixed salaried professionals like managers and supervisors versus hourly employees who are eligible for perks like shift differentials and overtime pay. Sometimes pay inequities occur after a consolidation of two or more functional areas that were run very differently from one another previously. Wage compression can also occur in an organization with a large percentage of low wage earners when the low wage rates are increased; as new hires come on, they are earning the same amount as those who may have been with the organization for years.

Impact of Wage Compression

Impacts of wage compression can be seen on a one to one level or across entire organizations. Those whose pay is compressed, or who are receiving less money, are likely to be

affected by low morale. They may feel discouraged, naturally. It doesn't make sense to continue working just as hard when their efforts are not perceived as being compensated.

This can lead to a more noticeable problem of poor performance in employees, which hurts the bottom line and ultimately affects everyone. There may also be retention issues related to salary compression. Those who feel slighted are more likely to look for alternate employment. High turnover rates are costly to any organization.

It may also be harder to recruit from within for higher level positions if employees see no economic benefit in accepting the added responsibility and work of a promotion.

Purpose of the Implementation Plan:

The foundation of the implementation calculation is one that is forward looking and does not look back on how current salaries came about. Transition to a new plan is not meant to change every pay decision, promotion or other legal changes in salary that have occurred over the tenure of the employee; nor is it meant to pretend the new pay structure should be retroactive in concept to the day an employee was hired.

To the extent that any uniform formula may result in unintended consequences, there may be isolated instances where administrative adjustments would be needed in order to address an inequity that is not readily apparent. This is not intended to address internal inequities, perceived by employees, that might result from previous pay structures or previous pay decisions. MAG assumes that all previous salary changes were based on information that was considered valid and appropriate at the time the decision was made.

SECTION 3.0 Selected Compensation Policy Recommendations

3.0 – Selected Compensation Policies

As part of the overall study, Management Advisory Group typically offers observations and recommendations regarding best practices in compensation policies. These observations are not meant to replace existing policies, but to provide a fresh look and compare the Town's compensation policies against "best practices". An objective statement of compensation policies also includes the expressed outcome to attract, reward, and retain qualified employees who can help the Town achieve its mission. In support of the vision statement, MAG observations may assist the Town as it strives to provide a total compensation program that enables the Town to:

- attract and retain a high-quality and diverse workforce;
- reward and retain qualified employees;
- provide a fair and consistent framework for assigning jobs;
- maintain salary structures at market competitive levels;
- ensure fair and consistent pay practices;
- comply with applicable laws and regulations; and,
- operate within the constraints of fiscal resources;
- be an employer that inspires excellence.

As an employer, the Town embraces a fair and equitable compensation plan to support achievement of the following goals.

- 1. The Town strives to provide a total compensation program that is fiscally sound, equitable and competitive in the defined marketplace.
- 2. Both benchmarking of select classifications and consideration of the job profile is used as a best practice for compensation of similar positions.
- 3. Competitive ranges are established for all positions to provide the flexibility needed to adapt to market changes, maintain internal equity and address needs of the Town that will ensure a high level of service to the residents of the Town.
- 4. Starting pay for new employees is based upon education and work experience related to positional requirements as well as market conditions.
- 5. Pay adjustments, other than allowances and supplements, are provided to employees when appropriate to address equity, market responsiveness, and consistency in the administration of the Town's compensation program.
- 6. Employees are eligible for pay increases resulting from true promotions and reclassifications.

- 7. Part-time/temporary employees may not be eligible for the same benefits as full-time employees.
- 8. Fair Labor Standards requirements will be applied fairly and consistently to applicable positions.
- 9. Benefit plans and other non-cash compensation plans are reviewed periodically for competitiveness, cost effectiveness, and their value to employees and the Town.
- 10. Pay ranges for the Town job groups are reviewed as needed or required by collective bargaining agreements, but not less than every five years.

Compensation Policies:

The following recommendations cover recommendations for both the implementation of the plan, as well as, the on-going administration of the plan.

Numerous opportunities exist for varied work experiences and career advancement within the Town. The following outlines how associated pay changes can be administered based on the category of change. All final decisions on the administration of pay are subject to approval by the Town Council. In all instances of employee/job reassignment, the employee would be placed in the range, not to exceed the maximum of the range unless specifically stated. Unless otherwise stated, any change in pay would be effective with the next full pay period.

A. Reclassification

1. When a job has been reclassified to a higher pay grade, the employee's salary shall increase at least 5% in the new pay grade that includes the new salary but is not more than the maximum salary of the new pay grade.

If the reclassification results in an upgrade of one pay grade, the employee's pay will be moved upward by 5%. An upgrade of two or more pay grades will increase the employee's pay by an additional 2.5% increase for each additional pay grade, up to a maximum of 15%. Any increase of more than 10% would require documentation by the department or agency and a supporting recommendation from Human Resources.

For general reclassifications done as a result of an internal or external compensation study, or as a result of a normal budget process review, if the employee has been in the position since on, or before, the first day of the fiscal year, the effective date of any approved change will be the first day of the fiscal year, or the effective date of implementation as approved by the Town Council.

Otherwise, for an individual reclassification, done outside the normal budget cycle, the effective date of the pay increase will be consistent with the next full pay period.

Reclassification or changes in pay grade, whether resulting from an internal or external compensation study or individual change in pay grade, shall **not be** retroactive with respect to calculating the new salary.

Internal Equity Adjustments as a result of the implementation of a system-wide study shall not be subject to the same guidelines as the "Reclassification" guideline. Internal Equity Adjustments can be the result of the application of a formula, applied to all positions in the same pay plan, and are done to ensure that employees' salaries are internally equitable and are not done to reflect an individual "job audit" of a single member incumbent.

Internal Equity Adjustments are also not tied to performance measures. *The leadership may determine an Internal Equity Adjustment strategy that is separate and apart from the guidelines that cover reclassification.*

Internal Equity Adjustments, resulting from an internal or external comprehensive review, can be to a higher, or lower, pay grade and are not considered a reclassification, promotion or demotion.

2. When a job has been reclassified to a lower pay grade, the affected employee(s) shall have their pay grade adjusted accordingly. The effective date will be the day following the Council adoption date and the change will be reflected in the next full pay period.

If, after the pay grade adjustment, the employee(s) salary is greater than the maximum salary of the new pay range, the employee will continue to be paid at the higher rate of pay, the salary would be "frozen" and the employee is typically ineligible for any pay adjustment until the range "catches up" with the salary and allows for movement.

B. Promotion

1. When an employee is promoted, as a result of a job change or job progression, to a higher pay grade position, within the same, or to a different, salary schedule, the salary placement within the new pay grade shall be determined as follows: apply 5% on the salary of the previous grade/schedule and salary for promotions of one pay grade, and an additional 2.5% for each additional pay grade up to a maximum of 15%. The resulting pay will be no less than the minimum of the new pay grade and

- no less than a 5% salary increase, but not more than the maximum salary of the assigned pay grade. The effective date will be the day of approval.
- 2. There may be times when the uniqueness of an individual job and level or necessary skills required by the Town, and not just possessed by the incumbent, may require a higher salary schedule placement than stipulated in this section. Under such circumstances, the Town Manager may approve a higher salary placement within the assigned pay grade.

C. Lateral Transfer

A lateral transfer occurs when an employee is transferred from one job class to another in the same pay grade. When there is no change in pay grade there shall be no adjustment in base salary. A lateral transfer is not considered a reclassification or a promotion.

Temporary Assignment(s)

- 1. "Acting" or temporary assignment(s) occurs when the Town recognizes a critical job assignment need that must be met and cannot be met through the normal recruitment process. This can occur when an unexpected vacancy occurs; when a mission critical job cannot be filled in a timely fashion; or when a mission objective changes abruptly and requires an immediate action.
- 2. Temporary or "acting" assignment(s) would be anticipated to last more than 30 days, but less than 6 months. A temporary or "acting" assignment is to fill a vacancy and not to assume the duties of another employee who is on approved leave, i.e. vacation, holiday, medical, or other short-term absence(s).
- 3. If the position assigned is lower in pay grade (or substantially equivalent pay range) this would not result in a lower salary for the assigned employee even if the employee's salary exceeded the maximum of the new pay range.
- 4. If the position assigned is higher in pay grade and extends beyond 30 days, but less than 6 months, there should be a 5% "temporary assignment" pay adjustment for the first pay grade and 2.5% for each additional pay grade to a maximum of 15% or the minimum of the grade, whichever is higher. The employee's salary shall not exceed the maximum of the assigned range. Employees receiving temporary assignment pay shall sign an agreement acknowledging the understanding that they are receiving "Temporary Assignment Pay" and also acknowledging that when the temporary assignment ends, the "assignment pay" will also end.

D. Hiring

- 1. The hire rate for a new employee with no equivalent and/or relevant level experience is typically the minimum of the salary range to which the job classification is assigned.
- 2. New hiring rates (or re-hires) for employees may consider directly relevant experience and/or experience that can be verified by the Human Resources Department. Employees who have left the Town and have been officially terminated will be re-hired using this formula and will not be rehired at the previous salary. Rehires who have left the Town's employ will be considered using the same formula as new hires.
- 3. Internal Equity is an equally important consideration in filling a vacant position. Before a salary offer is made, Human Resources will also consider the current salaries, level of education, relevant licenses/certifications and length of service in the same/similar job class or classes of current incumbents. It is the policy of the Town to make every effort to avoid inverted salary relationships by bringing in newly hired employees at a salary that exceeds the current salaries of comparably placed existing employees in the same/similar job class.
- 4. The Human Resources department may additionally consider a higher salary offer if the open position is determined to be a "hard to fill" position.
 - "Hard to fill" positions will be determined by the Human Resources Department and will be based on the length of time the position has remained unfilled, the difficulty to recruit, the "mission critical" nature of the work and the market conditions of the position, at the time of a vacancy.
- 5. Hiring Range is typically considered that span in salary between the minimum of the range and the market point for most positions. For Directorships or Assistant Director level positions, the qualifications of the applicant and/or the needs of the Town should include the discretion to hire anywhere within the range. However, consideration should still be given to existing salaries of other employees who are in directly comparable leadership positions.

E. Maximum of the Range

Ranges are established to reflect the market value of a given job profile and not an incumbent. Once an employee reaches the maximum of his/her assigned range, the salary is frozen, and the employee is not eligible for any additional compensation unless there is a range movement that would result in a higher maximum.

G. Salary Adjustment for Department Directors

There should be some flexibility for making salary adjustments for Departmental Directors beyond an annual increase, when it is based on exceptional performance. The salaries of other substantially equivalent employees should also be given consideration to not create undue inequity in the salary relationships between and among comparable levels of peers.

Future Salary Adjustment Recommendations

The cost to implement and maintain the compensation system should be driven by changes in the labor market and/or internal relationships and should be applied globally to the system, which, in turn, adjusts each salary range. Compensation systems that are well maintained address *two primary issues* on an annual basis:

- the cost to maintain competitiveness within the system; and
- the cost to adjust individual salaries.

From time to time, the Town may determine the need to adjust pay grades/ranges based on some factor, such as the Employment Cost Index (ECI) to maintain competitiveness at salary range minimums and hiring rates, as well as accommodate current incumbent pay progression within the grades. Ideally, funding permitting, the Town should conduct a salary/market review periodically to assess market conditions and ensure a competitive posture in personnel recruitment and retention. At this time, a more detailed comparison to the external market, as well as, to immediate competitors can be made using a comprehensive methodology such as that used in this review.

Proposed Compensation Plan

Regardless of an organization's philosophy concerning advancement opportunities afforded to employees, it is essential that movements in the economy, and more specifically, the labor market in which the Town competes, be addressed at the system level. Accordingly, salary administration procedures should take their priority based on funding levels and the Town's philosophies on pay.

Placement of Employees Within the New Proposed Ranges

For employees whose current salary level is below the minimum level in the assigned range, the salary level would be the minimum in the range.

For employees with current salary levels exceeding the maximum level in the assigned range, the salary would be frozen at that level, and the employee would be ineligible for any merit or cost of living increases until the range is adjusted to allow movement.

The placement of employees within the newly proposed salary plan is based on a formula designed to address internal equity. *No salary for any employee is recommended for reduction.* Each employee has a calculated target salary and is then recommended for placement within the range.

Proposed Compensation Under the New Plan

The Classification Manager® software has established a target salary for each employee by first calculating the cost to raise the incumbent to the minimum of the new range (if appropriate). A formula is then applied that calculates a target salary for the employee based on the total days of service in his/her proposed job class. This calculation is based on the number of days in the "Years to Maximum" and the difference between the range minimum and maximum, in dollars.

Plan Implementation

MAG recognizes that implementation of the new or revised compensation and classification programs must consider the financial disposition, current salary levels, and other variables unique to the Town. Only after all these factors are considered, can a feasible implementation program be designed. MAG has worked to provide an implementation plan that will address the current inequities and will provide a framework for external competitiveness.

It is especially important that during the current economic times that the Town retain its highly qualified work force by providing a fair, and competitive, compensation program. Additionally, it is equally important, that the Town does not overpay for positions. The proposed implementation plan carefully balances these two important considerations.

SECTION 4.0 Current or Original Pay Structures/Plans

Original Pay Plan - Carrboro, NC

Pay Plan Annual Duty Days - 260 Annual Hours - 2080

ay Plan			,, ,	, , , , , , , ,			
Original Class		Min	Mid	Max	%Range	%Below	%Abov
Grade Interim					0.00%	0.00%	0.00
ASST TO MAYOR / TOWN CLERK	AMTC						
INTERIM PW DIRECTOR	IPWD						
TOWN CLERK	TWCK						
TOWN MANAGER	TWMG						
Grade 1 CUSTODIAN	CUST	\$26,322 \$26,322	\$33,562 \$33,562	\$40,800 \$40,800	55.00%	27.51%	21.57
	0001		·	·	EE 00%	27.50%	04.53
Grade 2 PROGRAM SUPPORT ASSISTANT I	PS I	\$27,639 \$27,639	\$35,240 \$35,240	\$42,840 \$42,840	55.00%	27.50%	21.57
Grade 3		\$29,021	\$37,002	\$44,983	55.00%	27.50%	21.57
SOLID WASTE EQUIP OPERATOR I	SOL	\$29,021	\$37,002	\$44,983			
Grade 4		\$30,472	\$38,852	\$47,230	54.99%	27.50%	21.56
MAINT/CONSTRUCTION WORKER I	MC-W	\$30,472	\$38,852	\$47,230			
PROGRAM SUPPORT ASST II - FT	PSII	\$30,472	\$38,852	\$47,230			
PROGRAM SUPPORT ASST II - PT	PSPT	\$30,472	\$38,852	\$47,230			
Grade 5		\$31,996	\$40,795	\$49,593	55.00%	27.50%	21.57
ACCT TECH/RECEPTIONIST	ATI	\$31,996	\$40,795	\$49,593			
PERMIT TECHNICIAN	PT	\$31,996	\$40,795	\$49,593			
SOLID WASTE EQUIP OPERATOR II	SWII	\$31,996	\$40,795	\$49,593			
Grade 6		\$33,595	\$42,834	\$52,073	55.00%	27.50%	21.57
ACTIVITY MANAGER	ACTM	\$33,595	\$42,834	\$52,073			
FIRE TRAINEE	FT	\$33,595	\$42,834	\$52,073			
MAINT/CONSTRUCTION WORKER II	CWII	\$33,595	\$42,834	\$52,073			
MECHANIC I	MC I	\$33,595	\$42,834	\$52,073			
SOLID WASTE EQUIP OP II/CREW	SWCR	\$33,595	\$42,834	\$52,073			
Grade POT POLICE TRAINEE	РОТ	\$37,595 \$37,595	\$46,834 \$46,834	\$56,073 \$56,073	49.15%	24.58%	19.73
Grade 8		\$37,038	\$47,224	\$57,410	55.00%	27.50%	21.57
ADMINISTRATIVE ASSISTANT	AA	\$37,038	\$47,224	\$57,410	00.00%	27.00%	21.0
BUILDING MAINTENANCE SPEC	BMSP	\$37,038	\$47,224	\$57,410			
FIREFIGHTER/RELIEF DRIVER	FF	\$37,038	\$47,224	\$57,410			
MAINTENANCE/CONSTRUCT WKR III	SMSP	\$37,038	\$47,224	\$57,410			
MECHANIC II	MCII	\$37,038	\$47,224	\$57,410			
Grade 9		\$38,892	\$49,586	\$60,281	55.00%	27.50%	21.57
CODE ENFORCEMENT OFFICER I	CEOI	\$38,892	\$49,586	\$60,281			
CREW LEADER	STCL	\$38,892	\$49,586	\$60,281			
Grade 10		\$40,835	\$52,064	\$63,295	55.00%	27.50%	21.57
COMMUNICATION & ENGAGEMENT SPE	CES	\$40,835	\$52,064	\$63,295			
GIS TECHNICIAN	GIST	\$40,835	\$52,064	\$63,295			
HORTICULTURIST	HORT	\$40,835	\$52,064	\$63,295			
Grade 11		\$42,878	\$54,668	\$66,458	54.99%	27.50%	21.5
CODE ENFORCEMENT OFFICER II	CEO2	\$42,878	\$54,668	\$66,458			
FACILITIES SUPERVISOR	FACS	\$42,878	\$54,668	\$66,458			
FIRE DRIVER OPERATOR	FDRO	\$42,878	\$54,668	\$66,458			
RECREATION SUPERVISOR	RECS	\$42,878	\$54,668	\$66,458			
Grade 12		\$45,020	\$57,400	\$69,782	55.00%	27.50%	21.5
BUILDING MAINTENANCE SUPERVISO	BMSU	\$45,020	\$57,400	\$69,782			

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Original Pay Plan - Carrboro, NC

Annual Duty Days - 260 Annual Hours - 2080

y Plan		Annual Duty	/ Days - 260) Annua	Annual Hours - 2080		
Original Class		Min	Mid	Max	%Range	%Below	%Ab
Grade 12		\$45,020	\$57,400	\$69,782	55.00%	27.50%	21.5
ENGINEERING INSPECTOR	ENIN	\$45,020	\$57,400	\$69,782			
FIRE DRIVER MECHANIC	FDRM	\$45,020	\$57,400	\$69,782			
FLEET MAINTENANCE SUPERVISOR	FMSU	\$45,020	\$57,400	\$69,782			
PAYROLL & BENEFITS COORDIN	ATII	\$45,020	\$57,400	\$69,782			
PLANNER/ZONING DEVELOP SPEC.	PZDS	\$45,020	\$57,400	\$69,782			
Grade PO1		\$46,878	\$58,668	\$70,458	50.30%	25.15%	20
POLICE OFFICER	POI	\$46,878	\$58,668	\$70,458			
Grade 13		\$47,175	\$60,271	\$73,271	55.32%	27.76%	21
ASSISTANT TO PW DIRECTOR	ADAN	\$47,175	\$60,271	\$73,271			
CODE ENFORCEMENT OFFICER III	CE03	\$47,175	\$60,271	\$73,271			
FIRE LIEUTENANT	FRLT	\$47,175	\$60,271	\$73,271			
GIS SPECIALIST	GIS	\$47,175	\$60,271	\$73,271			
MANAGEMENT ASSISTANT	MGAT	\$47,175	\$60,271	\$73,271			
SOLID WASTE SUPERVISOR	SWSV	\$47,175	\$60,271	\$73,271			
Grade PO2		\$49,020	\$61,400	\$73,782	50.51%	25.25%	20
POLICE OFFICER II	POII	\$49,020	\$61,400	\$73,782			
Grade 14		\$49,636	\$63,285	\$76,935	55.00%	27.50%	21
ENGINEER I	ENGI	\$49,636	\$63,285	\$76,935	00.00%	21.00%	
FACILITIES ADMINISTRATOR	FAOO	\$49,636	\$63,285	\$76,935			
HUMAN RESOURCES ANALYST	PERA	\$49,636	\$63,285	\$76,935			
MANAGEMENT SPECIALIST	MSPC	\$49,636	\$63,285	\$76,935			
STORMWATER ADMINISTRATOR	SWAD	\$49,636	\$63,285	\$76,935			
STREETS & GROUNDS SUPERVISOR	STSU	\$49,636	\$63,285	\$76,935			
Grade PO5		\$51,175	\$64,271	\$77,271	50.99%	25.59%	20
diade FOS		\$51,175	\$64,271	\$77,271	30.33%	25.55%	20
		\$51,175	\$64,271	\$77,271			
		\$51,175	\$64,271	\$77,271			
POLICE OFFICER III	POIII	\$51,175	\$64,271	\$77,271			
POLICE OFFICER III	PIII	\$51,175	\$64,271	\$77,271			
Grade 15		\$52,117	\$66,449	\$80,782	55.00%	27.50%	21
ASSOCIATE PLANNER	ASPL	\$52,117	\$66,449	\$80,782			
ENVIROMENTAL PLANNER	ENPL	\$52,117	\$66,449	\$80,782			
ENVIRON SUSTAINABILITY COORD	ENSC	\$52,117	\$66,449	\$80,782			
FIRE CAPTAIN	FCAP	\$52,117	\$66,449	\$80,782			
FIRE TRAINING CAPTAIN	FTCAP	\$52,117	\$66,449	\$80,782			
IT SUPPORT ENGINEER I	ITSI	\$52,117	\$66,449	\$80,782			
RECREATION ADMINISTRATOR	RECA	\$52,117	\$66,449	\$80,782			
STAFF ACCOUNTANT	STAC	\$52,117	\$66,449	\$80,782			
STORMWATER SPECIALIST	SWSP	\$52,117	\$66,449	\$80,782			
TRANSPORTATION PLANNER	TRPL	\$52,117	\$66,449	\$80,782			
Grade PSGT		\$53,636	\$67,285	\$80,935	50.90%	25.45%	20
POLICE SERGEANT	PSGT	\$53,636	\$67,285	\$80,935			
Grade 16		\$54,723	\$69,772	\$84,821	55.00%	27.50%	21
ACCOUNTING & GRANTS SUPERVISOR	A&GS	\$54,723	\$69,772	\$84,821	- 3.00,0	_:	
CAPITAL PROJECTS MANAGER	CPM	\$54,723	\$69,772	\$84,821			
IT SYSTEMS ADMINISTRATOR	ITSA	\$54,723	\$69,772	\$84,821			
Grade 17		, - = -	, . =	,			

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Original Pay Plan - Carrboro, NC

Annual Duty Days - 260 Annual Hours - 2080 Pay Plan Min Mid Max %Range %Below %Above **Original Class** Grade 17 \$57,459 \$73.261 \$89.061 55.00% 27.50% 21.57% DFC **DEPUTY FIRE CHIEF** \$57,459 \$73,261 \$89,061 IT SUPPORT ENGINEER II ITSE \$57,459 \$73,261 \$89,061 POLT \$58,723 \$73,772 \$88.821 51.25% 25.63% 20.40% Grade POLICE LIEUTENANT **POLT** \$58,723 \$73,772 \$88,821 \$76,923 Grade \$60,332 \$93,514 55.00% 27.50% 21.57% 18 CODE ENFORCEMENT SUPERVISOR **CESUP** \$60,332 \$76,923 \$93,514 DEPUTY FINANCE DIRECTOR \$60,332 DFID \$76,923 \$93,514 **DEVELOPMENT REVIEW ADMINISTRAT DEVR** \$60,332 \$76,923 \$93,514 PLANNING ADMINISTRATOR **PLAD** \$60,332 \$76,923 \$93,514 PUBLIC WORKS SUPERINTENDENT **PWSU** \$60,332 \$76,923 \$93,514 STORMWATER UTILITY MANAGER **SWUM** \$60,332 \$76,923 \$93,514 PCPT \$102,190 25.87% 20.55% Grade \$67,348 \$84,770 51.73% POLICE CAPTAIN **PCPT** \$67,348 \$84,770 \$102,190 Grade \$69,842 \$89,049 \$108,255 55.00% 27.50% 21.57% **COMMUNICATION & ENGAGEMENT DIR** C&ED \$69,842 \$89,049 \$108,255 ECONOMIC DEV. DIRECTOR **ECDD** \$69,842 \$89,049 \$108,255 22 \$73,334 \$93,501 \$113,667 55.00% 27.50% 21.57% HOUSING & COMM SVCS DIRECTOR **HCSD** \$73,334 \$93,501 \$113,667 HR DIRECTOR **PERD** \$73,334 \$93,501 \$113,667 **INFO & TECH DIRECTOR** MIT \$73,334 \$93,501 \$113,667 R&P CULT. RES. DIR. - RACE&EQ **RPCR** \$73,334 \$93,501 \$113,667 \$77,000 \$98,177 \$119,352 55.00% 27.50% 21.57% FINANCE DIRECTOR FID \$77,000 \$98,177 \$119,352 FIRE CHIEF FC \$77,000 \$98,177 \$119,352 PLANNING DIRECTOR PLDI \$77,000 \$98,177 \$119,352 Grade \$80,851 \$103,084 \$125,318 55.00% 27.50% 21.57%

PWDR

PCHF

\$80,851

\$84.851

\$84,851

\$103,084

\$107,084

\$107,084

\$125,318

\$129,318

\$129,318

52.41%

26.20%

20.76%

POLICE CHIEF
90 Unique Class Titles

Grade

PUBLIC WORKS DIRECTOR

PCH

Friday, July 29, 2022 Page 4 of 5

SECTION 5.0 Salary Survey Data

Salary Survey Results for CARRBORO, NC

Job Class Title		Av	verages For	Each Job	Class			CARRBORO						
	Min	Mid	Max	Start	Avg	Actual	Range Width	Min		Mic	l	Max	T	Range Width
CUSTODIAN	\$27,865	\$35,502	\$43,140				54.8%	\$26,322	-5.9%	\$33,562	-5.8%	\$40,800	-5.7%	55.0%
MAINT/CONSTRUCTION WORKER I	\$32,428	\$41,691	\$50,954				57.1%	\$30,472	-6.4%	\$38,852	-7.3%	\$47,230	-7.9%	55.0%
SOLID WASTE EQUIP OPERATOR I	\$32,359	\$42,185	\$52,010				60.7%	\$29,021	-11.5%	\$37,002	-14.0%	\$44,983	-15.6%	55.0%
PERMIT TECHNICIAN	\$36,190	\$47,088	\$57,986				60.2%	\$31,996	.13.1%	\$40,795	-15.4%	\$49,593	-16.9%	55.0%
MECHANIC I	\$36,408	\$47,214	\$58,019				59.4%	\$33,595	-8.4%	\$42,834	-10.2%	\$52,073	-11.4%	55.0%
ADMINISTRATIVE ASSISTANT	\$36,438	\$47,343	\$58,249				59.9%	\$37,038	1.6%	\$47,224	-0.3%	\$57,410	-1.5%	55.0%
CREW LEADER	\$38,498	\$50,420	\$62,342				61.9%	\$38,892	1.0%	\$49,586	-1.7%	\$60,281	-3.4%	55.0%
FIREFIGHTER/RELIEF DRIVER	\$40,161	\$51,692	\$63,223				57.4%	\$37,038	-8.4%	\$47,224	-9.5%	\$57,410	-10.1%	55.0%
CODE ENFORCEMENT OFFICER I	\$43,169	\$56,249	\$69,328				60.6%	\$38,892	·11.0%	\$49,586	-13.4%	\$60,281	-15.0%	55.0%
GIS TECHNICIAN	\$44,409	\$57,787	\$71,164				60.2%	\$40,835	-8.8%	\$52,064	-11.0%	\$63,295	-12.4%	55.0%
PAYROLL & BENEFITS COORDIN	\$45,099	\$58,620	\$72,141				60.0%	\$45,020	-0.2%	\$57,400	-2.1%	\$69,782	-3.4%	55.0%
POLICE OFFICER	\$46,480	\$59,456	\$72,433				55.8%	\$46,878	0.8%	\$58,668	-1.3%	\$70,458	-2.8%	50.3%
RECREATION SUPERVISOR	\$46,197	\$60,068	\$73,938				60.0%	\$42,878	-7.7%	\$54,668	-9.9%	\$66,458	-11.3%	55.0%
SOLID WASTE SUPERVISOR	\$45,969	\$60,407	\$74,845				62.8%	\$47,175	2.6%	\$60,271	-0.2%	\$73,271	-2.1%	55.3%
BUILDING MAINTENANCE SUPERVISO	\$46,815	\$60,926	\$75,037				60.3%	\$45,020	-4.0%	\$57,400	-6.1%	\$69,782	-7.5%	55.0%
HUMAN RESOURCES ANALYST	\$48,465	\$63,393	\$78,320				61.6%	\$49,636	2.4%	\$63,285	-0.2%	\$76,935	-1.8%	55.0%
FIRE LIEUTENANT	\$50,492	\$64,567	\$78,641				55.8%	\$47,175	-7.0%	\$60,271	-7.1%	\$73,271	-7.3%	55.3%
STAFF ACCOUNTANT	\$51,057	\$66,634	\$82,210				61.0%	\$52,117	2.0%	\$66,449	-0.3%	\$80,782	-1.8%	55.0%
IT SUPPORT ENGINEER I	\$52,927	\$69,094	\$85,261				61.1%	\$52,117	-1.6%	\$66,449	-4.0%	\$80,782	-5.5%	55.0%
FIRE CAPTAIN	\$57,275	\$73,402	\$89,529				56.3%	\$52,117	-9.9%	\$66,449	-10.5%	\$80,782	-10.8%	55.0%
POLICE SERGEANT	\$59,100	\$75,125	\$91,151				54.2%	\$53,636	·10.2%	\$67,285	·11.7%	\$80,935	-12.6%	50.9%
IT SYSTEMS ADMINISTRATOR	\$57,822	\$75,933	\$94,044				62.6%	\$54,723	-5.7%	\$69,772	-8.8%	\$84,821	-10.9%	55.0%
POLICE LIEUTENANT	\$63,980	\$82,547	\$101,114				58.0%	\$58,723	-9.0%	\$73,772	-11.9%	\$88,821	-13.8%	51.3%
PUBLIC WORKS SUPERINTENDENT	\$64,980	\$84,831	\$104,681				61.1%	\$60,332	-7.7%	\$76,923	-10.3%	\$93,514	-11.9%	55.0%
POLICE CAPTAIN	\$70,947	\$92,199	\$113,451				59.9%	\$67,348	-5.3%	\$84,770	-8.8%	\$102,190	-11.0%	51.7%
ECONOMIC DEV. DIRECTOR	\$81,014	\$107,254	\$133,493				64.8%	\$69,842	·16.0%	\$89,049	-20.4%	\$108,255	-23.3%	55.0%
HR DIRECTOR	\$82,278	\$108,412	\$134,547				63.5%	\$73,334	·12.2%	\$93,501	-15.9%	\$113,667	-18.4%	55.0%
PLANNING DIRECTOR	\$82,432	\$108,627	\$134,821				63.6%	\$77,000	-7.1%	\$98,177	-10.6%	\$119,352	-13.0%	55.0%
INFO & TECH DIRECTOR	\$83,581	\$109,217	\$134,854				61.3%	\$73,334	·14.0%	\$93,501	-16.8%	\$113,667	-18.6%	55.0%
PUBLIC WORKS DIRECTOR	\$85,548	\$112,874	\$140,199				63.9%	\$80,851	-5.8%	\$103,084	-9.5%	\$125,318	-11.9%	55.0%
FINANCE DIRECTOR	\$88,452	\$116,822	\$145,192				64.1%	\$77,000	·14.9%	\$98,177	-19.0%	\$119,352	-21.7%	55.0%
FIRE CHIEF	\$91,087	\$119,966	\$148,844				63.4%	\$77,000	-18.3%	\$98,177	-22.2%	\$119,352	-24.7%	55.0%
POLICE CHIEF	\$92,653	\$122,029	\$151,404				63.4%	\$84,851	-9.2%	\$107,084	-14.0%	\$129,318	-17.1%	52.4%
Survey Averages	\$56,442	\$73,623	\$90,805				60.33%	\$52,49 -7.5		\$66,767 -10.27		\$81,037 -12.05%	%	54.38%

Page 2 of 2

SECTION 6.0 Proposed Pay Structure/Plan

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Proposed Pay Grades - Carrboro, NC

				 -	F/T Annual	Days 26	0
Pay Plan	Unified	A I			F/T Annual H	=	
Grade	Min	Annual <i>Mkt</i>	Max	Width	%Below	%Above	Midpoint
101	\$31,557	\$38,500	\$48,895	54.9		27.00%	\$40,226
102	\$33,135	\$40,425	\$51,340	54.9	4% 22.00%	27.00%	\$42,238
103	\$34,792	\$42,446	\$53,907	54.9	4% 22.00%	27.00%	\$44,349
104	\$36,532	\$44,569	\$56,602	54.9	4% 22.00%	27.00%	\$46,567
105	\$38,358	\$46,797	\$59,432	54.9	4% 22.00%	27.00%	\$48,895
106	\$40,276	\$49,137	\$62,404	54.9	4% 22.00%	27.00%	\$51,340
107	\$42,290	\$51,594	\$65,524	54.9	4% 22.00%	27.00%	\$53,907
108	\$44,404	\$54,173	\$68,800	54.9	4% 22.00%	27.00%	\$56,602
109	\$46,625	\$56,882	\$72,240	54.9	4% 22.00%	27.00%	\$59,432
110	\$48,956	\$59,726	\$75,852	54.9	4% 22.00%	27.00%	\$62,404
111	\$51,404	\$62,712	\$79,645	54.9	4% 22.00%	27.00%	\$65,524
112	\$53,974	\$65,848	\$83,627	54.9	4% 22.00%	27.00%	\$68,800
113	\$56,673	\$69,140	\$87,808	54.9	4% 22.00%	27.00%	\$72,240
114	\$59,506	\$72,597	\$92,199	54.9	4% 22.00%	27.00%	\$75,852
115	\$62,481	\$76,227	\$96,809	54.9	4% 22.00%	27.00%	\$79,645
116	\$65,606	\$80,039	\$101,649	54.9	4% 22.00%	27.00%	\$83,627
117	\$68,886	\$84,041	\$106,732	54.9	4% 22.00%	27.00%	\$87,809
118	\$72,330	\$88,243	\$112,068	54.9	4% 22.00%	27.00%	\$92,199
119	\$75,947	\$92,655	\$117,672	54.9	4% 22.00%	27.00%	\$96,809
120	\$79,744	\$97,288	\$123,555	54.9	4% 22.00%	27.00%	\$101,650
121	\$83,731	\$102,152	\$129,733	54.9	4% 22.00%	27.00%	\$106,732
122	\$87,918	\$107,260	\$136,220	54.9	4% 22.00%	27.00%	\$112,069
123	\$92,314	\$112,623	\$143,031	54.9	4% 22.00%	27.00%	\$117,672
124	\$96,929	\$118,254	\$150,182	54.9	4% 22.00%	27.00%	\$123,556
DDAET							

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Proposed Pay Grades - Carrboro, NC

					F/T Annual I	Days 26	0
Pay Plan	Unified			F.	/T Annual H	ours 195	50
		Annual					
Grade	Min	Mkt	Max	Width	%Below	%Above	Midpoint
125	\$101,776	\$124,166	\$157,691	54.94%	22.00%	27.00%	\$129,733
126	\$106,864	\$130,375	\$165,576	54.94%	22.00%	27.00%	\$136,220
127	\$112,208	\$136,893	\$173,855	54.94%	22.00%	27.00%	\$143,031
128	\$117,818	\$143,738	\$182,547	54.94%	22.00%	27.00%	\$150,183
129	\$123,709	\$150,925	\$191,675	54.94%	22.00%	27.00%	\$157,692
130	\$129,894	\$158,471	\$201,258	54.94%	22.00%	27.00%	\$165,576

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Proposed Pay Plans Carrboro, NC

	Code	Proposed Class Title	Ann Min	Mkt	Ann Max	
Unified						
101			\$31,557	\$38,500	\$48,895	
	CUST	CUSTODIAN				
	PS I	PROGRAM SUPPORT ASSISTANT I				
102			\$33,135	\$40,425	\$51,340	
	601	COLID WASTE FOUR OBEDIES:				 -
102	SOL	SOLID WASTE EQUIP OPERATOR I	\$34,792	\$42.446	\$53.007	
103			ψ υ4, / 3 ∠	\$42,446	\$53,907	
	MC-W	MAINT/CONSTRUCTION WORKER I				
	PSII	PROGRAM SUPPORT ASST II - FT				
	PSPT	PROGRAM SUPPORT ASST II - PT				
104			\$36,532	\$44,569	\$56,602	
	ATI	ACCT TECH/RECEPTIONIST				
	SWII	SOLID WASTE EQUIP OPERATOR II				
105	O1111	SOCIE WHO IE EQUIF OF ENATOR II	\$38,358	\$46,797	\$59,432	
			,		,	
	ACTM	ACTIVITY MANAGER				
	FT	FIRE TRAINEE				
	CWII	MAINT/CONSTRUCTION WORKER II				
	MC I	MECHANIC I				
400	PT	PERMIT TECHNICIAN	* * * * * * * * * *	<u> </u>		
106			\$40,276	\$49,137	\$62,404	
	POT	POLICE TRAINEE				
	SWCR	SOLID WASTE EQUIP OP III				
107			\$42,290	\$51,594	\$65,524	
	^^	ADMINISTRATIVE ASSISTANT				
	AA BMSD	ADMINISTRATIVE ASSISTANT				
	BMSP FF	BUILDING MAINTENANCE SPEC FIREFIGHTER/RELIEF DRIVER				
	SMSP	MAINTENANCE/CONSTRUCT WKR III				
	MCII	MECHANIC II	=			
108			\$44,404	\$54,173	\$68,800	
					<u> </u>	
	CEOI	CODE ENFORCEMENT OFFICER I				
	STCL	CREW LEADER	A15.55	A=-		
109			\$46,625	\$56,882	\$72,240	
	AMTC	ASST TO MAYOR / TOWN CLERK				
	CES	COMMUNICATION & ENGAGEMENT S	SPECIALIST			
	GIST	GIS TECHNICIAN				
_	HORT	HORTICULTURIST	_			 _
110			\$48,956	\$59,726	\$75,852	
	0500	CODE ENEODOENSENT CORREST				
	CEO2	CODE ENFORCEMENT OFFICER II				
	FACS	FACILITIES SUPERVISOR				
	FDRO RECS	FIRE DRIVER OPERATOR RECREATION SUPERVISOR				
111	ILUO	WOUTH JOUR MOUTH JOUR	\$51,404	\$62,712	\$79,645	
			+ 0±, + 0+	₩UZ,1 1Z	Ψ10,040	
	FDRM	FIRE DRIVER MECHANIC				

Proposed Pay Plans Carrboro, NC

	Code	Proposed Class Title	Ann Min	Mkt	Ann Max	
Unified						
111			\$51,404	\$62,712	\$79,645	
	ATII	PAYROLL & BENEFITS COORDINATO	R			
	POI	POLICE OFFICER I				
112			\$53,974	\$65,848	\$83,627	
	CE03	CODE ENFORCEMENT OFFICER III				
	ENIN	ENGINEERING INSPECTOR				
	FRLT	FIRE LIEUTENANT				
	POII	POLICE OFFICER II				
113			\$56,673	\$69,140	\$87,808	
	BMSU	BUILDING MAINTENANCE SUPERVIS	OR			
	ENGI	ENGINEER I				
	FMSU	FLEET MAINTENANCE SUPERVISOR				
	PERA	HUMAN RESOURCES ANALYST				
	ASPL	PLANNER				
	PZDS	PLANNER/ZONING DEVELOP SPEC.				
	POIII	POLICE OFFICER III				
	SWSV	SOLID WASTE SUPERVISOR				
	STSU	STREETS & GROUNDS SUPERVISOR				
114			\$59,506	\$72,597	\$92,199	
	ADAN	ACCIOTANT TO DIA DIDECTOR				
	ADAN	ASSISTANT TO PW DIRECTOR				
	BC ENPL	BATTALION CHIEF ENVIRONMENTAL PLANNER				
	MSPC	HOUSING & COMM SVCS COORDINA	NTOD.			
	ITSI	IT SUPPORT ENGINEER I	NION			
	PSGT	POLICE SERGEANT				
	MGAT	PROCUREMENT COORDINATOR				
	STAC	STAFF ACCOUNTANT				
	SWAD	STORMWATER ADMINISTRATOR				
	TRPL	TRANSPORTATION PLANNER				
115			\$62,481	\$76,227	\$96,809	
	FAOO	FACILITIES ADMINISTRATOR				
	GIS	GIS ADMINISTRATOR	HOD			
	PERASR	HUMAN RESOURCES ANALYST - SEN	NOR			
	ITSA	IT SYSTEMS ADMINISTRATOR				
	RECA	RECREATION ADMINISTRATOR				
116	SWSP	STORMWATER SPECIALIST	\$65,606	\$80,039	\$101,649	
TT0			φυ ο, συσ	φου,υ 3 9	サエレエ,ひキ ヲ	
	A&GS	ACCOUNTING & GRANTS SUPERVISO	OR			
	ATTM	ASSISTANT TO THE TOWN MANAGER	3			
	CPM	CAPITAL PROJECTS MANAGER				
	ENSC	ENVIRONMENTAL SUSTAINABILITY (COORD			
	ITSE	IT SUPPORT ENGINEER II				
	POLT	POLICE LIEUTENANT				
117		_	\$68,886	\$84,041	\$106,732	_
	CESUP	CODE ENFORCEMENT SUPERVISOR				
	32001	COST EN CHOLMENT OUT ENVIOUN				

Proposed Pay Plans Carrboro, NC

	Code	Proposed Class Title	Ann Min	Mkt	Ann Max		
Jnified							
117			\$68,886	\$84,041	\$106,732		
	GM	GRANTS MANAGER					
	PWSU	PUBLIC WORKS SUPERINTENDENT					
	REM	RACE AND EQUITY MANAGER					
	SWUM	STORMWATER UTILITY MANAGER					
118			\$72,330	\$88,243	\$112,068		
	DEVR	DEVELOPMENT REVIEW ADMINISTR	RATOR				
	PLAD	PLANNING ADMINISTRATOR					
119			\$75,947	\$92,655	\$117,672		
	DFID	DEPUTY FINANCE DIRECTOR					
	DFC	DEPUTY FIRE CHIEF					
	PCPT	POLICE CAPTAIN					
122	FOFT	FOLIOL CAFTAIN	\$87,918	\$107,260	\$136,220		
			¥0.,020	+	7-00,0		
	C&ED	COMMUNICATION & ENGAGEMENT	DIRECTOR				
	ECDD	ECONOMIC DEV. DIRECTOR					
	HCSD	HOUSING & COMM SVCS DIRECTOR	?				
123			\$92,314	\$112,623	\$143,031		
	PERD	HR DIRECTOR					
	MIT	INFO & TECH DIRECTOR					
	RPCR	RECREATION, PARKS AND CULTURA	AL RESOURCE	S DIRECTOR			
124		,	\$96,929	\$118,254	\$150,182		
	FID	FINANCE DIRECTOR					
	FC	FIRE CHIEF					
	PLDI	PLANNING DIRECTOR					
125			\$101,776	\$124,166	\$157,691	 	
	PCHF	POLICE CHIEF					
	PWDR	PUBLIC WORKS DIRECTOR					
126		. SELIS WORKS BIRLESTOR	\$106,864	\$130,375	\$165,576		
	ODEO	CHIEF DAOF AND FOURTY OFFICER	-	•			
128	CREO	CHIEF RACE AND EQUITY OFFICER	\$117,818	\$143,738	\$182,547		
			,0_0		,		
	ATM	ASSISTANT TOWN MANAGER					

⁹¹ Active Proposed Classes in the Unified Pay Plan

SECTION 7.0 Alphabetical Listing of Job Classes

Proposed Class List By Title Carrboro, NC

Proposed Class Title	Code	Pay Plan	Grade	Min	Mkt	Max	#
Α							
ACCOUNTING & GRANTS SUPERVISOR	A&GS	Unified	116	\$65,606	\$80,039	\$101,649	<u>1</u>
ACCT TECH/RECEPTIONIST	ATI	Unified	104	\$36,532	\$44,569	\$56,602	<u>1</u>
ACTIVITY MANAGER	ACTM	Unified	105	\$38,358	\$46,797	\$59,432	<u>1</u>
ADMINISTRATIVE ASSISTANT	AA	Unified	107	\$42,290	\$51,594	\$65,524	<u>6</u>
ASSISTANT TO PW DIRECTOR	ADAN	Unified	114	\$59,506	\$72,597	\$92,199	<u>1</u>
ASSISTANT TO THE TOWN MANAGER	ATTM	Unified	116	\$65,606	\$80,039	\$101,649	<u>0</u>
ASSISTANT TOWN MANAGER	ATM	Unified	128	\$117,818	\$143,738	\$182,547	<u>0</u>
ASST TO MAYOR / TOWN CLERK	AMTC	Unified	109	\$46,625	\$56,882	\$72,240	<u>1</u>
В							
BATTALION CHIEF	ВС	Unified	114	\$59,506	\$72,597	\$92,199	<u>4</u>
BUILDING MAINTENANCE SPEC	BMSP	Unified	107	\$42,290	\$51,594	\$65,524	<u>1</u>
BUILDING MAINTENANCE SUPERVISOR	BMSU	Unified	113	\$56,673	\$69,140	\$87,808	<u>1</u>
C							
CAPITAL PROJECTS MANAGER	СРМ	Unified	116	\$65,606	\$80,039	\$101,649	<u>1</u>
CHIEF RACE AND EQUITY OFFICER	CREO	Unified	126	\$106,864	\$130,375	\$165,576	<u>0</u>
CODE ENFORCEMENT OFFICER I	CEOI	Unified	108	\$44,404	\$54,173	\$68,800	<u>1</u>
CODE ENFORCEMENT OFFICER II	CEO2	Unified	110	\$48,956	\$59,726	\$75,852	<u>1</u>
CODE ENFORCEMENT OFFICER III	CE03	Unified	112	\$53,974	\$65,848	\$83,627	<u>1</u>
CODE ENFORCEMENT SUPERVISOR	CESUP	Unified	117	\$68,886	\$84,041	\$106,732	<u>1</u>
COMMUNICATION & ENGAGEMENT DIRECTOR	C&ED	Unified	122	\$87,918	\$107,260	\$136,220	<u>1</u>
COMMUNICATION & ENGAGEMENT SPECIALIST	CES	Unified	109	\$46,625	\$56,882	\$72,240	<u>1</u>
CREW LEADER	STCL	Unified	108	\$44,404	\$54,173	\$68,800	<u>3</u>
CUSTODIAN	CUST	Unified	101	\$31,557	\$38,500	\$48,895	<u>1</u>
D							
DEPUTY FINANCE DIRECTOR	DFID	Unified	119	\$75,947	\$92,655	\$117,672	<u>1</u>
DEPUTY FIRE CHIEF	DFC	Unified	119	\$75,947	\$92,655	\$117,672	<u>1</u>
DEVELOPMENT REVIEW ADMINISTRATOR	DEVR	Unified	118	\$72,330	\$88,243	\$112,068	<u>1</u>
E							
ECONOMIC DEV. DIRECTOR	ECDD	Unified	122	\$87,918	\$107,260	\$136,220	<u>1</u>
ENGINEER I	ENGI	Unified	113	\$56,673	\$69,140	\$87,808	<u>1</u>
ENGINEERING INSPECTOR	ENIN	Unified	112	\$53,974	\$65,848	\$83,627	<u>1</u>
ENVIRONMENTAL PLANNER	ENPL	Unified	114	\$59,506	\$72,597	\$92,199	<u>1</u>
ENVIRONMENTAL SUSTAINABILITY COORD	ENSC	Unified	116	\$65,606	\$80,039	\$101,649	<u>1</u>

DRAFT Tuesday, September 6, 2022

Proposed Class List By Title Carrboro, NC

Proposed Class Title	Code	Pay Plan	Grade	Min	Mkt	Max	#
FACILITIES ADMINISTRATOR	FAOO	Unified	115	\$62,481	\$76,227	\$96,809	1
FACILITIES ADMINISTRATOR FACILITIES SUPERVISOR	FACS	Unified	110	\$48,956	\$59,726	\$75,852	<u>1</u> <u>1</u>
FINANCE DIRECTOR	FID	Unified	124	\$96,929	\$118,254	\$150,182	<u>±</u> <u>1</u>
FIRE CHIEF	FC	Unified	124	\$96,929	\$118,254	\$150,182	<u>±</u> <u>1</u>
FIRE DRIVER MECHANIC	FDRM	Unified	111	\$51,404	\$62,712	\$79.645	<u> 1</u>
FIRE DRIVER OPERATOR	FDRO	Unified	110	\$48,956	\$59,726	\$75,852	<u>=</u> <u>8</u>
FIRE LIEUTENANT	FRLT	Unified	112	\$53,974	\$65,848	\$83,627	<u>6</u>
FIRE TRAINEE	FT	Unified	105	\$38,358	\$46,797	\$59,432	<u>1</u>
FIREFIGHTER/RELIEF DRIVER	FF	Unified	107	\$42,290	\$51,594	\$65,524	<u>=</u> 16
FLEET MAINTENANCE SUPERVISOR	FMSU	Unified	113	\$56,673	\$69,140	\$87,808	<u>1</u>
G				,,,,,,	, , , , , , ,	, , , , , ,	
GIS ADMINISTRATOR	GIS	Unified	115	\$62,481	\$76,227	\$96,809	<u>1</u>
GIS TECHNICIAN	GIST	Unified	109	\$46,625	\$56,882	\$72,240	<u>1</u>
GRANTS MANAGER	GM	Unified	117	\$68,886	\$84,041	\$106,732	<u>0</u>
н							
HORTICULTURIST	HORT	Unified	109	\$46,625	\$56,882	\$72,240	<u>1</u>
HOUSING & COMM SVCS COORDINATOR	MSPC	Unified	114	\$59,506	\$72,597	\$92,199	<u>1</u>
HOUSING & COMM SVCS DIRECTOR	HCSD	Unified	122	\$87,918	\$107,260	\$136,220	<u>1</u>
HR DIRECTOR	PERD	Unified	123	\$92,314	\$112,623	\$143,031	<u>1</u>
HUMAN RESOURCES ANALYST	PERA	Unified	113	\$56,673	\$69,140	\$87,808	<u>1</u>
HUMAN RESOURCES ANALYST - SENIOR	PERASR	Unified	115	\$62,481	\$76,227	\$96,809	<u>1</u>
l							
INFO & TECH DIRECTOR	MIT	Unified	123	\$92,314	\$112,623	\$143,031	<u>1</u>
IT SUPPORT ENGINEER I	ITSI	Unified	114	\$59,506	\$72,597	\$92,199	<u>1</u>
IT SUPPORT ENGINEER II	ITSE	Unified	116	\$65,606	\$80,039	\$101,649	<u>1</u>
IT SYSTEMS ADMINISTRATOR	ITSA	Unified	115	\$62,481	\$76,227	\$96,809	<u>1</u>
M							
MAINT/CONSTRUCTION WORKER I	MC-W	Unified	103	\$34,792	\$42,446	\$53,907	<u>6</u>
MAINT/CONSTRUCTION WORKER II	CWII	Unified	105	\$38,358	\$46,797	\$59,432	<u>1</u>
MAINTENANCE/CONSTRUCT WKR III	SMSP	Unified	107	\$42,290	\$51,594	\$65,524	<u>1</u>
MECHANIC I	MC I	Unified	105	\$38,358	\$46,797	\$59,432	<u>1</u>
MECHANIC II	MCII	Unified	107	\$42,290	\$51,594	\$65,524	<u>1</u>
P							

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Proposed Class List By Title

Carrboro, NC

Proposed Class Title	Code	Pay Plan	Grade	Min	Mkt	Max	#
PAYROLL & BENEFITS COORDINATOR	ATII	Unified	111	\$51,404	\$62,712	\$79,645	<u>1</u>
PERMIT TECHNICIAN	PT	Unified	105	\$38,358	\$46,797	\$59,432	<u>1</u>
PLANNER	ASPL	Unified	113	\$56,673	\$69,140	\$87,808	<u>1</u>
PLANNER/ZONING DEVELOP SPEC.	PZDS	Unified	113	\$56,673	\$69,140	\$87,808	<u>2</u>
PLANNING ADMINISTRATOR	PLAD	Unified	118	\$72,330	\$88,243	\$112,068	<u>1</u>
PLANNING DIRECTOR	PLDI	Unified	124	\$96,929	\$118,254	\$150,182	<u>1</u>
POLICE CAPTAIN	PCPT	Unified	119	\$75,947	\$92,655	\$117,672	<u>2</u>
POLICE CHIEF	PCHF	Unified	125	\$101,776	\$124,166	\$157,691	<u>1</u>
POLICE LIEUTENANT	POLT	Unified	116	\$65,606	\$80,039	\$101,649	<u>6</u>
POLICE OFFICER I	POI	Unified	111	\$51,404	\$62,712	\$79,645	<u>5</u>
POLICE OFFICER II	POII	Unified	112	\$53,974	\$65,848	\$83,627	<u>4</u>
POLICE OFFICER III	POIII	Unified	113	\$56,673	\$69,140	\$87,808	<u>5</u>
POLICE SERGEANT	PSGT	Unified	114	\$59,506	\$72,597	\$92,199	<u>8</u>
POLICE TRAINEE	POT	Unified	106	\$40,276	\$49,137	\$62,404	<u>1</u>
PROCUREMENT COORDINATOR	MGAT	Unified	114	\$59,506	\$72,597	\$92,199	<u>1</u>
PROGRAM SUPPORT ASSISTANT I	PS I	Unified	101	\$31,557	\$38,500	\$48,895	<u>1</u>
PROGRAM SUPPORT ASST II - FT	PSII	Unified	103	\$34,792	\$42,446	\$53,907	<u>3</u>
PROGRAM SUPPORT ASST II - PT	PSPT	Unified	103	\$34,792	\$42,446	\$53,907	<u>1</u>
PUBLIC WORKS DIRECTOR	PWDR	Unified	125	\$101,776	\$124,166	\$157,691	<u>1</u>
PUBLIC WORKS SUPERINTENDENT	PWSU	Unified	117	\$68,886	\$84,041	\$106,732	<u>2</u>
R							
RACE AND EQUITY MANAGER	REM	Unified	117	\$68,886	\$84,041	\$106,732	<u>0</u>
RECREATION ADMINISTRATOR	RECA	Unified	115	\$62,481	\$76,227	\$96,809	<u>1</u>
RECREATION SUPERVISOR	RECS	Unified	110	\$48,956	\$59,726	\$75,852	<u>4</u>
RECREATION, PARKS AND CULTURAL RESOURCES DIRECTOR	RPCR	Unified	123	\$92,314	\$112,623	\$143,031	<u>1</u>
S							
SOLID WASTE EQUIP OP III	SWCR	Unified	106	\$40,276	\$49,137	\$62,404	<u>2</u>
SOLID WASTE EQUIP OPERATOR I	SOL	Unified	102	\$33,135	\$40,425	\$51,340	<u>4</u>
SOLID WASTE EQUIP OPERATOR II	SWII	Unified	104	\$36,532	\$44,569	\$56,602	<u> </u>
SOLID WASTE SUPERVISOR	SWSV	Unified	113	\$56,673	\$69,140	\$87,808	<u>-</u> <u>1</u>
STAFF ACCOUNTANT	STAC	Unified	114	\$59,506	\$72,597	\$92,199	<u>-</u> 1
STORMWATER ADMINISTRATOR	SWAD	Unified	114	\$59,506	\$72,597	\$92,199	<u> </u>
STORMWATER SPECIALIST	SWSP	Unified	115	\$62,481	\$76,227	\$96,809	<u> </u>
STORMWATER UTILITY MANAGER	SWUM	Unified	117	\$68,886	\$84,041	\$106,732	<u> </u>
GIGRAMATER OTHER FINANAGER	OVVOIVI	James	111	ΨΟΟ,ΟΟΟ	ΨΟ+,Ο+1	Ψ±00,132	_

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Proposed Class List By Title Carrboro, NC

Proposed Class Title	Code	Pay Plan	Grade	Min	Mkt	Max	#
STREETS & GROUNDS SUPERVISOR	STSU	Unified	113	\$56,673	\$69,140	\$87,808	<u>1</u>
T							
TRANSPORTATION PLANNER	TRPL	Unified	114	\$59,506	\$72,597	\$92,199	<u>1</u>

91 Job Classes

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SECTION 8.0 Class Comparison List of Positions

(Compares current to proposed titles and ranges)

Class Comparison List By Pay Plan Carrboro, NC

			A	nnual Ran	ge	
Grade			Min	Mkt	Max	
Proposed Class Title	Original Title	Working Title				
101			\$31,557	\$38,500	\$48,895	
CUSTODIAN	CUSTODIAN		26,322	33,562	40,800	
PROGRAM SUPPORT ASSISTANT I	PROGRAM SUPPORT ASSISTANT I		27,639	35,240	42,840	
102			\$33,135	\$40,425	\$51,340	
SOLID WASTE EQUIP OPERATOR I	SOLID WASTE EQUIP OPERATOR I		29,021	37,002	44,983	
103			\$34,792	\$42,446	\$53,907	
MAINT/CONSTRUCTION WORKER I	MAINT/CONSTRUCTION WORKER I		30,472	38,852	47,230	
PROGRAM SUPPORT ASST II - FT	PROGRAM SUPPORT ASST II - FT		30,472	38,852	47,230	
PROGRAM SUPPORT ASST II - PT	PROGRAM SUPPORT ASST II - PT		30,472	38,852	47,230	
104			\$36,532	\$44,569	\$56,602	
ACCT TECH/RECEPTIONIST	ACCT TECH/RECEPTIONIST		31,996	40,795	49,593	
SOLID WASTE EQUIP OPERATOR II	SOLID WASTE EQUIP OPERATOR II		31,996	40,795	49,593	
105			\$38,358	\$46,797	\$59,432	
ACTIVITY MANAGER	ACTIVITY MANAGER		33,595	42,834	52,073	
FIRE TRAINEE	FIRE TRAINEE		33,595	42,834	52,073	
MAINT/CONSTRUCTION WORKER II	MAINT/CONSTRUCTION WORKER II		33,595	42,834	52,073	
MECHANIC I	MECHANIC I		33,595	42,834	52,073	
PERMIT TECHNICIAN	PERMIT TECHNICIAN		31,996	40,795	49,593	
106			\$40,276	\$49,137	\$62,404	
POLICE TRAINEE	POLICE TRAINEE		37,595	46,834	56,073	
SOLID WASTE EQUIP OP III	SOLID WASTE EQUIP OP II/CREW		33,595	42,834	52,073	
107			\$42,290	\$51,594	\$65,524	
ADMINISTRATIVE ASSISTANT	ADMINISTRATIVE ASSISTANT		37,038	47,224	57,410	
BUILDING MAINTENANCE SPEC	BUILDING MAINTENANCE SPEC		37,038	47,224	57,410	
FIREFIGHTER/RELIEF DRIVER	FIREFIGHTER/RELIEF DRIVER		37,038		57,410	
MAINTENANCE/CONSTRUCT WKR III	MAINTENANCE/CONSTRUCT WKR III		37,038	47,224	57,410	
MECHANIC II	MECHANIC II		37,038	47,224	57,410	

Class Comparison List By Pay Plan Carrboro, NC

			Δ	nnual Ran		
Grade			Min	Mkt	Max	
Proposed Class Title	Original Title	Working Title				
108			\$44,404	\$54,173	\$68,800	
CODE ENFORCEMENT OFFICER I	CODE ENFORCEMENT OFFICER		38,892	49,586	60,281	
CREW LEADER	CREW LEADER		38,892	49,586	60,281	
109			\$46,625	\$56,882	\$72,240	
ASST TO MAYOR / TOWN CLERK	ASST TO MAYOR / TOWN CLERK		0	0	0	
COMMUNICATION & ENGAGEMENT SPECIALIST	COMMUNICATION & ENGAGEMENT SPE		40,835	52,064	63,295	
GIS TECHNICIAN	GIS TECHNICIAN		40,835	52,064	63,295	
HORTICULTURIST	HORTICULTURIST		40,835	52,064	63,295	
110			\$48,956	\$59,726	\$75,852	
CODE ENFORCEMENT OFFICER II	CODE ENFORCEMENT OFFICER		42,878	54,668	66,458	
FACILITIES SUPERVISOR	FACILITIES SUPERVISOR		42,878	54,668	66,458	
FIRE DRIVER OPERATOR	FIRE DRIVER OPERATOR		42,878	54,668	66,458	
RECREATION SUPERVISOR	RECREATION SUPERVISOR		42,878	54,668	66,458	
111			\$51,404	\$62,712	\$79,645	
FIRE DRIVER MECHANIC	FIRE DRIVER MECHANIC		45,020	57,400	69,782	
PAYROLL & BENEFITS COORDINATOR	PAYROLL & BENEFITS COORDIN		45,020	57,400	69,782	
POLICE OFFICER I	POLICE OFFICER		46,878	58,668	70,458	
112			\$53,974	\$65,848	\$83,627	
CODE ENFORCEMENT OFFICER III	CODE ENFORCEMENT OFFICER		47,175	60,271	73,271	
ENGINEERING INSPECTOR	ENGINEERING INSPECTOR		45,020	57,400	69,782	
FIRE LIEUTENANT	FIRE LIEUTENANT		47,175	60,271	73,271	
POLICE OFFICER II	POLICE OFFICER II		49,020	61,400	73,782	
113			\$56,673	\$69,140	\$87,808	
BUILDING MAINTENANCE SUPERVISOR	BUILDING MAINTENANCE SUPERVISO		45,020	57,400	69,782	
ENGINEER I	ENGINEER I		49,636	63,285	76,935	
FLEET MAINTENANCE SUPERVISOR	FLEET MAINTENANCE SUPERVISOR		45,020	57,400	69,782	
HUMAN RESOURCES ANALYST	HUMAN RESOURCES ANALYST		49,636	63,285	76,935	
PLANNER	ASSOCIATE PLANNER		52,117	66,449	80,782	
PLANNER/ZONING DEVELOP SPEC.	PLANNER/ZONING DEVELOP SPEC.		45,020	57,400	69,782	

Class Comparison List By Pay Plan Carrboro, NC

Crada			A	nnual Ran	ge	
Grade			Min	Mkt	Max	
Proposed Class Title	Original Title	Working Title				
113			\$56,673	\$69,140	\$87,808	
POLICE OFFICER III	POLICE OFFICER III		51,175	64,271	77,271	
SOLID WASTE SUPERVISOR	SOLID WASTE SUPERVISOR		47,175	60,271	73,271	
STREETS & GROUNDS SUPERVISOR	STREETS & GROUNDS SUPERVISOR		49,636	63,285	76,935	
114			\$59,506	\$72,597	\$92,199	
ASSISTANT TO PW DIRECTOR	ASSISTANT TO PW DIRECTOR		47,175	60,271	73,271	
BATTALION CHIEF	FIRE CAPTAIN		52,117	66,449	80,782	
BATTALION CHIEF	FIRE TRAINING CAPTAIN		52,117	66,449	80,782	
ENVIRONMENTAL PLANNER	ENVIROMENTAL PLANNER		52,117	66,449	80,782	
HOUSING & COMM SVCS COORDINATOR	MANAGEMENT SPECIALIST		49,636	63,285	76,935	
IT SUPPORT ENGINEER I	IT SUPPORT ENGINEER I		52,117	66,449	80,782	
POLICE SERGEANT	POLICE SERGEANT		53,636	67,285	80,935	
PROCUREMENT COORDINATOR	MANAGEMENT ASSISTANT		47,175	60,271	73,271	
STAFF ACCOUNTANT	STAFF ACCOUNTANT		52,117	66,449	80,782	
STORMWATER ADMINISTRATOR	STORMWATER ADMINISTRATOR		49,636	63,285	76,935	
TRANSPORTATION PLANNER	TRANSPORTATION PLANNER		52,117	66,449	80,782	
115			\$62,481	\$76,227	\$96,809	
FACILITIES ADMINISTRATOR	FACILITIES ADMINISTRATOR		49,636	63,285	76,935	
GIS ADMINISTRATOR	GIS SPECIALIST		47,175	60,271	73,271	
HUMAN RESOURCES ANALYST - SENIOR	HUMAN RESOURCES ANALYST		49,636	63,285	76,935	
IT SYSTEMS ADMINISTRATOR	IT SYSTEMS ADMINISTRATOR		54,723	69,772	84,821	
RECREATION ADMINISTRATOR	RECREATION ADMINISTRATOR		52,117	66,449	80,782	
STORMWATER SPECIALIST	STORMWATER SPECIALIST		52,117	66,449	80,782	
116			\$65,606	\$80,039	\$101,649	
ACCOUNTING & GRANTS SUPERVISOR	ACCOUNTING & GRANTS SUPERVISOR		54,723	69,772	84,821	
ASSISTANT TO THE TOWN MANAGER			0	0	0	
CAPITAL PROJECTS MANAGER	CAPITAL PROJECTS MANAGER		54,723	69,772	84,821	
ENVIRONMENTAL SUSTAINABILITY COORD	ENVIRON SUSTAINABILITY COORD		52,117	66,449	80,782	
IT SUPPORT ENGINEER II	IT SUPPORT ENGINEER II		57,459	73,261	89,061	
POLICE LIEUTENANT	POLICE LIEUTENANT		58,723	73,772	88,821	
117			\$68,886	\$84,041	\$106,732	
CODE ENFORCEMENT SUPERVISOR	CODE ENFORCEMENT SUPERVISOR		60,332	76,923	93,514	

Class Comparison List By Pay Plan Carrboro, NC

-			Α.	nnual Ran	ർമ
Grade			Min	Mkt	Max
Proposed Class Title	Original Title	Working Title	IVIII	IVIKL	IVIAX
<u>.</u> 117			\$68,886	\$84,041	\$106,732
CDANITE MANACED			0		
GRANTS MANAGER PUBLIC WORKS SUPERINTENDENT	INTERIM PW DIRECTOR		0	0	
PUBLIC WORKS SUPERINTENDENT	PUBLIC WORKS		60,332		
PUBLIC WORKS SUPERINTENDENT	SUPERINTENDENT		60,332	10,923	93,314
RACE AND EQUITY MANAGER			0	0	0
STORMWATER UTILITY MANAGER	STORMWATER UTILITY MANAGER		60,332	76,923	93,514
118			\$72,330	\$88,243	\$112,068
DEVELOPMENT REVIEW ADMINISTRATOR	DEVELOPMENT REVIEW		60,332	76,923	93,514
DEVELOT MENT REVIEW ADMINISTRATION	ADMINISTRAT		00,332	10,020	33,314
PLANNING ADMINISTRATOR	PLANNING ADMINISTRATOR		60,332	76,923	93,514
119			\$75,947	\$92,655	\$117,672
DEPUTY FINANCE DIRECTOR	DEPUTY FINANCE DIRECTOR		60,332	76,923	93,514
DEPUTY FIRE CHIEF	DEPUTY FIRE CHIEF		57,459	73,261	•
POLICE CAPTAIN	POLICE CAPTAIN		67,348	84,770	
122			\$87,918	\$107,260	\$136,220
COMMUNICATION & ENGAGEMENT	COMMUNICATION &		60.040	89,049	100.055
DIRECTOR	ENGAGEMENT DIR		69,842	89,049	108,255
ECONOMIC DEV. DIRECTOR	ECONOMIC DEV. DIRECTOR		69,842	89,049	108,255
HOUSING & COMM SVCS DIRECTOR	HOUSING & COMM SVCS		73,334	93,501	113,667
	DIRECTOR				
123			\$92,314	\$112,623	\$143,031
HR DIRECTOR	HR DIRECTOR		73,334	93,501	113,667
INFO & TECH DIRECTOR	INFO & TECH DIRECTOR		73,334	93,501	113,667
RECREATION, PARKS AND CULTURAL	RECREATION, PARKS AND		73,334	93,501	113,667
RESOURCES DIRECTOR	CULTURAL RESOURCES DIRECTOR				
124	BIREOTOR		\$96,929	\$118,254	\$150 182
			· '		•
FINANCE DIRECTOR	FINANCE DIRECTOR		77,000	98,177	
FIRE CHIEF	FIRE CHIEF		77,000	98,177	
PLANNING DIRECTOR	PLANNING DIRECTOR		77,000	98,177	119,352
125			\$101,776	<u>\$124,166</u>	\$157,691
POLICE CHIEF	POLICE CHIEF		84,851	107,084	129,318
PUBLIC WORKS DIRECTOR	PUBLIC WORKS DIRECTOR		80,851	103,084	125,318

Class Comparison List By Pay Plan Carrboro, NC

Proposed Pay Plan: Unifi	ed						
Crada			Annual Range				
Grade			Min Mkt Max				
Proposed Class Title	Original Title	Working Title					
126			\$106,864 \$130,375 \$165,576				
CHIEF RACE AND EQUITY OFFICER			0 0 0				
128			\$117,818 \$143,738 \$182,547				
ASSISTANT TOWN MANAGER			0 0 0				

Carrboro, NC Implementation Report

DRAFT

IMPLEMENTATION SUMMARY PAGE

Summary for Carrboro, NC

Current Payroll	\$9,500,939	# Positions	163			
Flat 2% Adjustment	\$190,019	# Positions Adjusted (any type)	163	# Not Adj	0	
Adjustment To Minimum	\$114,267	# Adjusted To Minimum	42			
Adjustment Toward Mkt	\$0	# Adjusted Toward Market	0			
Equity Adjustment	\$151,084	# Equity Adjusted	59			
Adjustment To Step	\$ 0	# Adjusted To Step	0			
OrgExp Adjustment	\$ 0	# OrgExp Adjustments	0			
Stipends / Supplements	\$67,673	# Assignment	94			
Total Applied Adjustments	\$455,370					
Proposed Payroll	\$9,956,309	% Change in Total Payroll	4.79%			
FICA Rate: 0						
Proposed Payroll plus FICA	\$9,956,309					

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Town of Carrboro

Agenda Item Abstract

File Number: 22-259

Agenda Date: 9/20/2022 File Type: Agendas

In Control: Board of Aldermen

Version: 1

TITLE:

Review of Policies for the Expenditure of American Rescue Plan Act of 2021, Coronavirus State and Local Fiscal Recovery Funds

PURPOSE: The purpose of this agenda item is to present draft policies required for the expenditure of American Rescue Plan Act of 2021, Coronavirus State and Local Fiscal Recovery Funds (ARP/CSLFRF).

DEPARTMENT: Town Manager, Finance

CONTACT INFORMATION: Richard White, Town Manager, 919.918.7315; Arche McAdoo, Finance Director, 919.918.7439

INFORMATION: The American Rescue Plan Act of 2021, Coronavirus State and Local Fiscal Recovery Funds (ARP/CSLFRF) requires grant recipients to adopt policies related to the expenditure of these funds. These policies are necessary for compliance with U. S. Treasury Final Rule, Compliance and Reporting Guidance, and Uniform Guidance on Grants (UG). Forms and/or checklists are attached to each policy to document compliance and decision making.

Templates developed by the UNC School of Government (SOG) have been modified to apply to Carrboro. Due to the total number of pages (100 plus), the policies have been compiled in to one document rather than presenting them individually. The following policies have been drafted for Town Council consideration and adoption on October 11, 2022.

- 1. Eligible Projects
- 2. Allowable Costs and Cost Principles
- 3. Program Income
- 4. Record Keeping
- 5. Property Management
- 6. Subaward and Monitoring
- 7. Conflict of Interest
- 8. Applicable laws and regulations;
- 9. Civil rights compliance;
- 10. Hatch Act; and,
- 11. Protection of whistleblowers.

FISCAL & STAFF IMPACT: The Town has received an allocation of \$6,753,198.84 of ARP/CSLFR Funds.

Agenda Date: 9/20/2022 File Type: Agendas

In Control: Board of Aldermen

Version: 1

RECOMMENDATION: Staff recommends that the Town Council review these policies and provide feedback to staff for finalization of the policies for adoption at the October 11, 2022 meeting.

TOWN OF CARRBORO

POLICIES FOR THE EXPENDITURE OF AMERICAN RESCUE PLAN ACT OF 2021, CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS

TOWN MANAGERRichard J. White III, ICMA-CM

CHIEF FINANCIAL OFFICER
Arche L. McAdoo

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2022-02	Allowable Costs and Cost Principles	8
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PURPOSE AND OVERVIEW

The American Rescue Plan Act (ARPA) signed into law on March 11, 2021, which provides Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) to state and local governments to assist with pandemic rescue and recovery efforts. The Town of Carrboro has received \$6,753,198.84 to assist with recovery efforts.

The U.S. Treasury is responsible for implementing ARP/CSLFRF and has enacted a Final Rule outlining eligible uses of these funds. The use of these funds is subject to the provisions of the federal Uniform Grant Guidance, 2 CFR Part 200 (UG), as provided in the <u>Assistance Listing</u>, and requires the governing board to adopt certain policies and procedures to comply with the UG, rules adopted by U. S. Treasury, and other federal rules and regulations.

Using the policy templates developed by the UNC School of Governments, we have drafted the policies that follow Town Council consideration for adoption. A copy of which has been forwarded to the Town Attorney for review.

ARPA POLICY No. 2022-01

ELIGIBLE PROJECTS FOR THE EXPENDITURE ARPA CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS BY TOWN OF CARRBORO

This policy defines the permissible and prohibited uses of the Coronavirus State and Local Fiscal Recovery Funds of H.R. 1319 American Rescue Plan Act of 2021 (ARP/CSLFRF) funds.

WHEREAS the Town of Carrboro 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 (ARP/CSLFRF); and

WHEREAS U.S. Treasury is responsible for implementing ARP/CSLFRF and has enacted a Final Rule outlining eligible projects; and

WHEREAS the funds may be used for projects within these categories, to the extent authorized by state law.

- 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 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.
- 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.

WHEREAS the ARP/CSLFRF are subject to the provisions of the federal Uniform Grant Guidance, 2 CFR Part 200 (UG), as provided in the <u>Assistance Listing</u>; and

WHEREAS U.S. Treasury has issued a <u>Compliance and Reporting Guidance Version 4.0</u> (<u>June 10, 2022</u>) dictating implementation of the ARP/CSLFRF award terms and compliance requirements; and

WHEREAS the Compliance and Reporting Guidance states on page 7 that:

"Per 2 CFR Part 200.303, your organization must develop and implement effective internal controls to ensure that funding decisions under the SLFRF award constitute eligible uses of funds, and document determinations."

BE IT RESOLVED that the Town of Carrboro Town Council hereby adopts and enacts the following Eligibility Determination Policy for ARP/CSLFRF funds.

I. PERMISSIBLE USES OF ARP/CSLFRF FUNDING

U.S. Treasury issued its **Final Rule** regarding use of ARPA funds on January 6, 2022 to be effective as of April 1, 2022. Until that date, a local government may proceed under the regulation promulgated by U.S. 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. Funds used consistently with the Interim Final Rule while in effect will be in compliance with the ARP/CSLFRF. Treasury will not take action to enforce the interim final rule to the extent that a use of funds is consistent with the terms of the final rule regardless of when the SLFRF funds were used. Local governments must obligate ARP/CSLFRF funds no later than December 31, 2024, and all funds must be spent no later than December 31, 2026. Failure of an entity to expend all funds by December 31, 2026, will result in forfeiture of unspent 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; and

II. PROHIBITED USES OF ARPA FUNDING

The ARP/CSLFRF and U.S. 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 the local government 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.

The Town of Carrboro and any of its contractors or subrecipients, may not expend any ARP/CSLFRF funds for these purposes.

III. PROCEDURES FOR PROJECT APPROVAL

The following are the procedures for ARP/CSLFRF project approvals. All Town of Carrboro employees and officials must comply with these requirements.

- 1. Requests for ARP/CSLFRF funding, must be made in writing and include all the following:
 - a. Brief description of the project
 - b. Identification of ARP/CSLFRF Expenditure Category (EC) (A list of ECs in in the Appendix to the U.S Treasury Compliance and Reporting Guidance.)
 - c. Required justifications for applicable projects, according to the requirements in the Final Rule. Employees or any applicant seeking ARP funding should review the <u>Final Rule</u> and <u>Final Rule Overview</u> prior to submitting a proposal.
 - d. Proposed budget, broken down by cost item, in accordance with the Town of Carrboro's Allowable Cost Policy.
 - e. A project implementation plan and estimated timeline (All ARP/CSLFRF funds must be fully obligated by December 31, 2024, and fully spent by December 31, 2026.)

- 2. Requests for funding must be in writing using the Town's ARPA Project Request and Eligibility Determination Form and submitted to the Town's Designated Official for approval.
- 3. All requests will be reviewed by Town Attorney for ARP/CSLFRF compliance and by the Chief Financial Officer for allowable costs and other financial review.
- 4. No ARP/CSLFRF may be obligated or spent before final written approval by the Carrboro Town Council and adoption of a project ordinance by the Town Council.
- 5. If a proposal does not meet the required criteria, it will be returned to the requesting party for revision and resubmittal, if necessary.
- 6. Following approval, employees responsible for implementing the project must conform the actual obligations and expenditures to the pre-approved project budget. Changes in project budgets must be approved by the Town Manager and may require a budget or project ordinance amendment before proceeding. Any delay in the projected project completion date shall be communicated to the Chief Finance Officer immediately upon knowledge of events that may cause a delay.
- 7. The Designated Town Official must collect and document the required information for each Expenditure Category, for purposes of completing the required Project and Expenditure reports.
- 8. The Chief Finance Officer must retain written project requests and approvals, all supporting documentation, and financial information at least until December 31, 2031.

ARPA POLICY No. 2022-02

ALLOWABLE COSTS AND COST PRINCIPLES FOR EXPENDITURE OF ARPA CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS

This policy addresses the proper classification of both direct and indirect charges to ARP/CSLFRF funded projects and enacts procedures to ensure that proposed and actual expenditures are consistent with the ARP/CSLFRF grant award terms and all applicable federal regulations in the Uniform Grant Guidance (UG).

WHEREAS the Town of Carrboro (Town) 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 (ARP/CSLFRF); and

WHEREAS the funds may be used for projects within these categories, to the extent authorized by state law.

- 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 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.

WHEREAS the ARP/CSLFRF are subject to the provisions of the federal Uniform Grant Guidance, 2 CFR Sect. 200 (UG), as provided in the <u>Assistance Listing</u>; and

WHEREAS the Compliance and Reporting Guidance for the State and Local Fiscal Recovery Funds provides, in relevant part:

Allowable Costs/Cost Principles. As outlined in the Uniform Guidance at 2 CFR Part 200, Subpart E regarding Cost Principles, allowable costs are based on the premise that a recipient is responsible for the effective administration of Federal awards, application of sound management practices, and administration of Federal funds in a manner consistent with the program objectives and terms and conditions of the award. Recipients must implement robust internal controls and effective monitoring to ensure compliance with the Cost Principles, which are important for building trust and accountability.

ARP/CSLFRF Funds may be, but are not required to be, used along with other funding sources for a given project. Note that ARP/CSLFRF Funds may not be used for a non-Federal cost share or match were prohibited by other Federal programs, e.g., funds may not be used for the State share for Medicaid.

Treasury's Interim Final Rule and guidance and the Uniform Guidance outline the types of costs that are allowable, including certain audit costs. For example, per 2 CFR 200.425, a reasonably proportionate share of the costs of audits required by the Single Audit Act Amendments of 1996 are allowable; however, costs for audits that were not performed in accordance with 2 CFR Part 200, Subpart F are not allowable. Please see 2 CFR Part 200, Subpart E regarding the Cost Principles for more information.

- a. Administrative costs: Recipients may use funds for administering the SLFRF program, including costs of consultants to support effective management and oversight, including consultation for ensuring compliance with legal, regulatory, and other requirements. Further, costs must be reasonable and allocable as outlined in 2 CFR 200.404 and 2 CFR 200.405. Pursuant to the ARP/CSLFRF Award Terms and Conditions, recipients are permitted to charge both direct and indirect costs to their SLFRF award as administrative costs. Direct costs are those that are identified specifically as costs of implementing the ARP/CSLFRF program objectives, such as contract support, materials, and supplies for a project. Indirect costs are general overhead costs of an organization where a portion of such costs are allocable to the ARP/CSLFRF award such as the cost of facilities or administrative functions like a director's office. Each category of cost should be treated consistently in like circumstances as direct or indirect, and recipients may not charge the same administrative costs to both direct and indirect cost categories, or to other programs. If a recipient has a current Negotiated Indirect Costs Rate Agreement (NICRA) established with a Federal cognizant agency responsible for reviewing, negotiating, and approving cost allocation plans or indirect cost proposals, then the recipient may use its current NICRA. Alternatively, if the recipient does not have a NICRA, the recipient may elect to use the de minimis rate of 10 percent of the modified total direct costs pursuant to 2 CFR 200.414(f).
- b. <u>Salaries and Expenses</u>: In general, certain employees' wages, salaries, and covered benefits are an eligible use of ARP/CSLFRF award funds; and

WHEREAS Subpart E of the UG dictates allowable costs and cost principles for expenditure of ARP/CSLFRF funds; and

WHEREAS Subpart E of the UG (specifically, 200.400) states that:

The application of these cost principles is based on the fundamental premises that:

- (a) The non-Federal entity is responsible for the efficient and effective administration of the Federal award through the application of sound management practices.
- (b) The non-Federal entity assumes responsibility for administering Federal funds in a manner consistent with underlying agreements, program objectives, and the terms and conditions of the Federal award.
- (c) The non-Federal entity, in recognition of its own unique combination of staff, facilities, and experience, has the primary responsibility for employing whatever form of sound organization and management techniques may be necessary to assure proper and efficient administration of the Federal award.
- (d) The application of these cost principles should require no significant changes in the internal accounting policies and practices of the non-Federal entity. However, the accounting practices of the non-Federal entity must be consistent with these cost principles and support the accumulation of costs as required by the principles and must provide for adequate documentation to support costs charged to the Federal award.
- (e) In reviewing, negotiating and approving cost allocation plans or indirect cost proposals, the cognizant agency for indirect costs should generally assure that the non-Federal entity is applying these cost accounting principles on a consistent basis during their review and negotiation of indirect cost proposals. Where wide variations exist in the treatment of a given cost item by the non-Federal entity, the reasonableness and equity of such treatments should be fully considered.
- (f) For non-Federal entities that educate and engage students in research, the dual role of students as both trainees and employees (including pre- and post-doctoral staff) contributing to the completion of Federal awards for research must be recognized in the application of these principles.
- (g) The non-Federal entity may not earn or keep any profit resulting from Federal financial assistance, unless explicitly authorized by the terms and conditions of the Federal award;

BE IT RESOLVED that the governing board of the Town of Carrboro hereby adopts and enacts the following UG Allowable Costs and Cost Principles Policy for the expenditure of ARP/CSLFRF funds.

I. ALLOWABLE COSTS AND COSTS PRINCIPLES POLICY OVERVIEW

<u>Title 2 U.S. Code of Federal Regulations Part 200</u>, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, commonly called Uniform Guidance (UG), specifically Subpart E, defines those items of cost that are allowable, and which are unallowable. The tests of allowability under these principles are:

- (a) the costs must be reasonable.
- (b) they must be allocable to eligible projects under the Coronavirus State and Local Fiscal Recovery Funds of H.R. 1319 American Rescue Plan Act of 2021 (ARP/CSLFRF);
- (c) they must be given consistent treatment through application of those generally accepted accounting principles appropriate to the circumstances; and
- (d) they must conform to any limitations or exclusions set forth in these principles or in the ARP/CSLFRF grant award as to types or amounts of cost items.

Unallowable items fall into two categories: expenses which are by their nature unallowable (e.g., alcohol), and unallowable activities (e.g., fund raising).

The Town shall adhere to all applicable cost principles governing the use of federal grants. This policy addresses the proper classification of both direct and indirect charges to ARP/CSLFRF funded projects and enacts procedures to ensure that proposed and actual expenditures are consistent with the ARP/CSLFRF grant award terms and all applicable federal regulations in the UG.

Responsibility for following these guidelines lies with Town Department Directors and Chief Financial Officer, who are charged with the administration and financial oversight of the ARP/CSLFRF. Further, all local government employees and officials who are involved in obligating, administering, expending, or monitoring ARP/CSLFRF grant funded projects should be well versed with the categories of costs that are generally allowable and unallowable. Questions on the allowability of costs should be directed to Chief Financial Officer. As questions on allowability of certain costs may require interpretation and judgment, local government personnel are encouraged to ask for assistance in making those determinations.

II. GENERAL COST ALLOWABILITY CRITERIA

All costs expended using ARP/CSLFRF funds must meet the following general criteria:

1. Be necessary and reasonable for the proper and efficient performance and administration of the grant program.

A cost must be *necessary* to achieve a project object. When determining whether a cost is necessary, consideration may be given to:

• Whether the cost is needed for the proper and efficient performance of the grant project.

- Whether the cost is identified in the approved project budget or application.
- Whether the cost aligns with identified needs based on results and findings from a needs assessment.
- Whether the cost addresses project goals and objectives and is based on program data.

A cost is *reasonable* if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision to incur the cost was made. For example, reasonable means that sound business practices were followed, and purchases were comparable to market prices. When determining reasonableness of a cost, consideration must be given to:

- Whether the cost is a type generally recognized as ordinary and necessary for the operation of the Town of Carrboro or the proper and efficient performance of the federal award.
- The restraints or requirements imposed by factors, such as: sound business practices; arm's-length bargaining; federal, state, and other laws and regulations; and terms and conditions of the ARP/CSLFRF award.
- Market prices for comparable goods or services for the geographic area.
- Whether individuals concerned acted with prudence in the circumstances considering their responsibilities to Town of Carrboro its employees, the public at large, and the federal government.
- Whether Town of Carrboro significantly deviates from its established practices and policies regarding the incurrence of costs, which may unjustifiably increase the ARP/CSLFRF award's cost.
- 2. Be allocable to the ARP/CSLFRF federal award. A cost is allocable to the ARP/CSLFRF award if the goods or services involved are chargeable or assignable to the ARP/CSLFRF award in accordance with the relative benefit received. This means that the ARP/CSLFRF grant program derived a benefit in proportion to the funds charged to the program. For example, if 50 percent of a local government program officer's salary is paid with grant funds, then the local government must document that the program officer spent at least 50 percent of his/her time on the grant program.

If a cost benefits two or more projects or activities in proportions that can be determined without undue effort or cost, the cost must be allocated to the projects based on the proportional benefit. If a cost benefits two or more projects or activities in proportions that cannot be determined because of the interrelationship of the work involved, then the costs may be allocated or transferred to benefitted projects on any reasonable documented basis. Where the purchase of equipment or other capital asset is specifically authorized by the ARP/CSLFRF, the costs are assignable to the Federal award regardless of the use that may be made of the equipment or other capital asset involved when no longer needed for the purpose for which it was originally required.

- 3. Be authorized and not prohibited under state or local laws or regulations.
- 4. Conform to any limitations or exclusions set forth in the principles, federal laws, ARP/CSLFRF award terms, and other governing regulations as to types or amounts of cost items.
- 5. Be consistent with policies, regulations, and procedures that apply uniformly to both the ARP/CSLFRF federal award and other activities of the Town of Carrboro
- **6. Be accorded consistent treatment.** A cost MAY NOT be assigned to a federal award as a direct cost and be charged to a federal award as an indirect cost. And a cost must be treated consistently for both federal award and non-federal award expenditures.
- 7. Be determined in accordance with generally accepted accounting principles (GAAP), unless provided otherwise in the UG.
- **8. Be net of all applicable credits.** The term "applicable credits" refers to those receipts or reduction of expenditures that operate to offset or reduce expense items allocable to the federal award. Typical examples of such transactions are purchase discounts; rebates or allowances; recoveries or indemnities on losses; and adjustments of overpayments or erroneous charges. To the extent that such credits accruing to and received by the local government related to the federal award, they shall be credited to the ARP/CSLFRF award, either as a cost reduction or a cash refund, as appropriate and consistent with the award terms.
- 9. Be adequately documented.

III. SELECTED ITEMS OF COST

The UG examines the allowability of fifty-five (55) specific cost items (commonly referred to as Selected Items of Cost) at 2 CFR § 200.420-.475.

The Chief Financial Officer is responsible for determining cost allowability must be familiar with the Selected Items of Cost. The Town must follow the applicable regulations when charging these specific expenditures to the ARP/CSLFRF grant. Finance Department personnel will check costs against the selected items of cost requirements to ensure the cost is allowable and that all process and documentation requirements are followed. In addition, State laws, Town regulations, and programspecific rules may deem a cost as unallowable, and Town personnel must follow those non-federal rules as well. **Exhibit A identifies and summarizes the Selected Items of Cost.**

IV. DIRECT AND INDIRECT COSTS

Allowable and allocable costs must be appropriately classified as direct or indirect charges. It is essential that each item of cost be treated consistently in like circumstances either as a direct or an indirect cost.

<u>Direct costs</u> are expenses that are specifically associated with a particular ARP/CSLFRF-eligible project and that can be directly assigned to such activities relatively easily with a high degree of accuracy. Common examples of direct costs include salary and fringe benefits of personnel directly involved in undertaking an eligible project, equipment and supplies for the project, subcontracted service provider, or other materials consumed or expended in the performance of a grant-eligible project.

<u>Indirect costs</u> are (1) costs incurred for a common or joint purpose benefitting more than one ARP/CSLFRF-eligible project, and (2) not readily assignable to the project specifically benefited, without effort disproportionate to the results achieved. They are expenses that benefit more than one project or even more than one federal grant. Common examples of indirect costs include utilities, local telephone charges, shared office supplies, administrative or secretarial salaries.

For indirect costs, the Town of Carrboro may charge a 10 percent de minimis rate of modified total direct costs (MTDC). According to UGG Section 200.68 MTDC means all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first \$25,000 of each subaward (regardless of the period of performance the subawards under the award). MTDC EXCLUDES equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each subaward in excess of \$25,000.

SPECIAL PROVISIONS FOR STATE AND LOCAL GOVERNMENTS

There are some special provisions of the UG that apply only to states, local governments, and Indian Tribes.

§ 200.444 General costs of government.

- (a) For states, local governments, and Indian Tribes, the general costs of government are unallowable (except as provided in § 200.475). Unallowable costs include:
 - (1) Salaries and expenses of the Office of the Governor of a state or the chief executive of a local government or the chief executive of an Indian tribe;
 - (2) Salaries and other expenses of a state legislature, tribal council, or similar local governmental body, such as a county supervisor, city council, school board, etc., whether incurred for purposes of legislation or executive direction:
 - (3) Costs of the judicial branch of a government;

- (4) Costs of prosecutorial activities unless treated as a direct cost to a specific program if authorized by statute or regulation (however, this does not preclude the allowability of other legal activities of the Attorney General as described in § 200.435); and
- (5) Costs of other general types of government services normally provided to the general public, such as fire and police, unless provided for as a direct cost under a program statute or regulation.
- (b) For Indian tribes and Councils of Governments (COGs) (see definition for *Local government* in § 200.1 of this part), up to 50% of salaries and expenses directly attributable to managing and operating Federal programs by the chief executive and his or her staff can be included in the indirect cost calculation without documentation.

NOTE: Expenditure of ARP/CSLFRF FUNDS in the Revenue Replacement are explicitly authorized in the Final Rule to be spent on General Government Services.

§ 200.416 COST ALLOCATION PLANS AND INDIRECT COST PROPOSALS.

- (a) For states, local governments and Indian tribes, certain services, such as motor pools, computer centers, purchasing, accounting, etc., are provided to operating agencies on a centralized basis. Since Federal awards are performed within the individual operating agencies, there needs to be a process whereby these central service costs can be identified and assigned to benefitted activities on a reasonable and consistent basis. The central service cost allocation plan provides that process.
- (b) Individual operating agencies (governmental department or agency), normally charge Federal awards for indirect costs through an indirect cost rate. A separate indirect cost rate(s) proposal for each operating agency is usually necessary to claim indirect costs under Federal awards. Indirect costs include:
- (1) The indirect costs originating in each department or agency of the governmental unit carrying out Federal awards and
- (2) The costs of central governmental services distributed through the central service cost allocation plan and not otherwise treated as direct costs.
- (c) The requirements for development and submission of cost allocation plans (for central service costs and public assistance programs) and indirect cost rate proposals are contained in appendices V, VI and VII to this part.

§ 200.417 Interagency service.

The cost of services provided by one agency to another within the governmental unit may include allowable direct costs of the service plus a pro-rated share of indirect costs. A standard indirect cost allowance equal to ten percent of the direct salary and wage cost of providing the service (excluding overtime, shift premiums,

and fringe benefits) may be used in lieu of determining the actual indirect costs of the service. These services do not include centralized services included in central service cost allocation plans as described in Appendix V to Part 200.

V. COST ALLOWABILITY REVIEW PROCESS

PREAPPROVAL COST ALLOWABILITY REVIEW

Before an ARP/CSLFRF-funded project is authorized, the Chief Financial Officer must review the proposed cost items within an estimated project budget to determine whether they are allowable and allocable and whether cost items will be charged as direct or indirect expenses. This review will occur concurrently with the review of project eligibility and *before* obligating or expending any ARP/CSLFRF funds.

- Local government personnel must submit proposed ARP/CSLFRF projects to the Chief Financial Officer for review. In addition to other required information, all proposed project submissions must delineate estimated costs by cost item.
- Along with a general review of project eligibility and conformance with other
 governing board management directives, the Chief Financial Officer must review
 estimated costs for specific allowable cost requirements, budget parameters,
 indirect rates, fringe benefit rates, and those activities/costs that require preapproval by the US Treasury.
- If a proposed project includes a request for an unallowable cost, the Chief Financial Officer will return the proposal to the requesting party for review and, if practicable, resubmission with corrected cost items.
- Once a proposed project budget is pre-approved by the Governing Board, the local government personnel responsible for implementing the project must conform actual obligations and expenditures to the pre-approved project budget.

POST-EXPENDITURE COST ALLOWABILITY REVIEW

Once an expenditure is incurred related to an eligible project, and an invoice or other demand for payment is submitted to the local government, the Accounts Payable staff in the Finance Department must perform a second review to ensure that actual expenditures comprise allowable costs.

- All invoices or other demands for payment must include a breakdown by cost item. The cost items should mirror those presented in the proposed budget for the project. If an invoice or other demand for payment does not include a breakdown by cost item, the Chief Financial Officer will return the invoice to the project manager and/or vendor, contractor, or subrecipient for correction.
- The Accounts Payable staff in the Finance Department must review the individual cost items listed on the invoice or other demand for payment to determine their allowability and allocability.

- If all cost items are deemed allowable and properly allocable, the Accounts Payable staff in the Finance Department must proceed through the local government's normal disbursement process.
- If any cost item is deemed unallowable, the Finance Department will notify the project management and/or vendor, contractor, or subrecipient that a portion of the invoice or other demand for payment will not be paid with ARP/CSLFRF funds. The Chief Financial Officer may in the Officer's discretion, and consistent with this policy, allow an invoice or other demand for payment to be resubmitted with a revised cost allocation. If the local government remains legally obligated by contract or otherwise to pay the disallowed cost item, it must identify other local government funds to cover the disbursement. The Town's governing board must approve any allocation of other funds for this purpose.
- The Finance Department must retain appropriate documentation of budgeted cost items per project and actual obligations and expenditures of cost items per project.

VI. COST TRANSFERS

Any costs charged to the ARP/CSLFRF federal award that do not meet the allowable cost criteria must be removed from the award account and charged to an account that does not require adherence to federal UG or other applicable guidelines.

Failure to adequately follow this policy and related procedures could result in questioned costs, audit findings, potential repayment of disallowed costs and discontinuance of funding.

EXHIBIT A

Selected Items of Cost	Uniform Guidance General Reference	Allowability
Advertising and public relations costs	2 CFR § 200.421	Allowable with restrictions
Advisory councils	2 CFR § 200.422	Allowable with restrictions
Alcoholic beverages	2 CFR § 200.423	Unallowable
Alumni/ae activities	2 CFR § 200.424	Not specifically addressed
Audit services	2 CFR § 200.425	Allowable with restrictions
Bad debts	2 CFR § 200.426	Unallowable

Bonding costs	2 CFR § 200.427	Allowable with restrictions
	-	
Collection of improper payments	2 CFR § 200.428	Allowable
Commencement and convocation costs	2 CFR § 200.429	Not specifically addressed
Compensation – personal services	2 CFR § 200.430	Allowable with restrictions; Special conditions apply (e.g., § 200.430(i)(5))
Compensation – fringe benefits	2 CFR § 200.431	Allowable with restrictions
Conferences	2 CFR § 200.432	Allowable with restrictions
Contingency provisions	2 CFR § 200.433	Unallowable with exceptions
Contributions and donations	2 CFR § 200.434	Unallowable (made by non-federal entity); not reimbursable but value may be used as cost sharing or matching (made to non-federal entity)
Defense and prosecution of criminal and civil proceedings, claims, appeals and patent infringements	2 CFR § 200.435	Allowable with restrictions
Depreciation	2 CFR § 200.436	Allowable with qualifications
Employee health and welfare costs	2 CFR § 200.437	Allowable with restrictions
Entertainment costs	2 CFR § 200.438	Unallowable with exceptions
Equipment and other capital expenditures	2 CFR § 200.439	Allowability based on specific requirement
Exchange rates	2 CFR § 200.440	Allowable with restrictions
Fines, penalties, damages, and other settlements	2 CFR § 200.441	Unallowable with exceptions

Fund raising and investment management costs	2 CFR § 200.442	Unallowable with exceptions
Gains and losses on disposition of depreciable assets	2 CFR § 200.443	Allowable with restrictions
General costs of government	2 CFR § 200.444	Unallowable with exceptions
Goods and services for personal use	2 CFR § 200.445	Unallowable (goods/services); allowable (housing) with restrictions
Idle facilities and idle capacity	2 CFR § 200.446	Idle facilities - unallowable with exceptions; Idle capacity - allowable with restrictions
Insurance and indemnification	2 CFR § 200.447	Allowable with restrictions
Intellectual property	2 CFR § 200.448	Allowable with restrictions
Interest	2 CFR § 200.449	Allowable with restrictions
Lobbying	2 CFR § 200.450	Unallowable
Losses on other awards or contracts	2 CFR § 200.451	Unallowable (however, they are required to be included in the indirect cost rate base for allocation of indirect costs)
Maintenance and repair costs	2 CFR § 200.452	Allowable with restrictions
Materials and supplies c <mark>osts,</mark> including costs of computing devices	2 CFR § 200.453	Allowable with restrictions
Memberships, subscriptions, and professional activity costs	2 CFR § 200.454	Allowable with restrictions; unallowable for lobbying organizations
Organization costs	2 CFR § 200.455	Unallowable except federal prior approval

Participant support costs	2 CFR § 200.456	Allowable with prior approval of the federal awarding agency
Plant and security costs	2 CFR § 200.457	Allowable; capital expenditures are subject to § 200.439
Pre-award costs	2 CFR § 200.458	Allowable if consistent with other allowable and with prior approval of the federal awarding agency
Professional services costs	2 CFR § 200.459	Allowable with restrictions
Proposal costs	2 CFR § 200.460	Allowable with restrictions
Publication and printing costs	2 CFR § 200.461	Allowable with restrictions
Rearrangement and reconversion costs	2 CFR § 200.462	Allowable (ordinary and normal)
Recruiting costs	2 CFR § 200.463	Allowable with restrictions
Relocation costs of employees	2 CFR § 200.464	Allowable with restrictions
Rental costs of real property and equipment	2 CFR § 200.465	Allowable with restrictions
Scholarships and student aid costs	2 CFR § 200.466	Not specifically addressed
Selling and marketing costs	2 CFR § 200.467	Unallowable with exceptions
Specialized service facilities	2 CFR § 200.468	Allowable with restrictions
Student activity costs	2 CFR § 200.469	Unallowable unless specifically provided for in the federal award
Taxes (including Value Added Tax)	2 CFR § 200.470	Allowable with restrictions
Termination costs	2 CFR § 200.471	Allowable with restrictions
Training and education costs	2 CFR § 200.472	Allowable for employee

		development
Transportation costs	2 CFR § 200.473	Allowable with restrictions
Travel costs	2 CFR § 200.474	Allowable with restrictions
Trustees	2 CFR § 200.475	Not specifically addressed

ARPA POLICY NO. 2022-03

PROGRAM INCOME RELATED TO THE EXPENDITURE OF ARPA CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS

WHEREAS, the Town of Carrboro has received an allocation of funds from the Coronavirus "State Fiscal Recovery Fund", or "Coronavirus Local Fiscal Recovery Fund" (together "CSLFRF") established pursuant to Sections 602 and 603 of the Social Security Act, as added by Section 9901 of the American Rescue Plan Act of 2021, Pub. L. No. 117-2 ("ARPA").

WHEREAS, the Town shall comply with the terms of ARPA, and the U.S. Department of Treasury's ("Treasury") federal regulations governing the spending of CSLFRF funds, including the <u>Final Rule</u>, and Treasury's regulations governing expenditures of CSLFRF funds, including the <u>Award Terms and Conditions</u>, <u>Compliance and Reporting Guidance for the State and Local Fiscal Recovery Funds (together the "Federal regulations"), and any additional guidance Treasury has issued or may issue governing the spending of CSLFRF funds.</u>

WHEREAS, the Town of Carrboro shall comply with the <u>Uniform Administrative</u> Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 C.F.R. Part § 200 (the "Uniform Guidance"); and

WHEREAS, the Town shall account for program income per the requirements set forth in the UG, including, but not limited to, 2 C.F.R. § 200.307, and as stipulated in Compliance and Reporting Guidance for the State and Local Recovery Funds, which provides: "Recipients of CSLFRF funds should calculate, document, and record the organization's program income. Additional controls that your organization should implement include written policies that explicitly identify appropriate allocation methods, accounting standards and principles, compliance monitoring checks for program income calculations, and records."

Now, therefore, be it **RESOLVED**, That the governing board of the Town of Carrboro hereby adopts and enacts the following policies and procedures for the use of program income earned from the expenditure of CSLFRF funds pursuant to the ARP/CSLFRF award.

I. PURPOSE AND SCOPE

The Town enacts the following procedures for its use of program income earned from the expenditure of CSLFRF funds to ensure compliance with the UG, including, but not limited to, 2 C.F.R. § 200.307, the ARP/CSLFRF award, and all applicable Federal regulations governing the use of program income. The Town agrees to administer program income according to the requirements set forth in this policy and as required by the Federal regulations and State law.

¹ Compliance and Reporting Guidance, p. 9.

The responsibility for following this policy lies with the Chief Financial Officer, who is charged with the administration and financial oversight of the ARP/CSLFRF award. Questions on the use and/or reporting of program income should be directed to the Chief Financial Officer.

II. DEFINITIONS²

- a. ARP/CLSFRF award means the Federal program governing the use of Coronavirus State and Local Fiscal Recovery Funds as provided in the <u>Assistance Listing</u> and as administered by the U.S. Department of Treasury pursuant to the American Rescue Plan Act of 2021 ("ARPA"), Pub. L. No. 117-2 (Mar. 11, 2021).
- b. *CSLFRF funds* means the portion of Federal financial assistance from the Coronavirus State Fiscal Recovery Funds and Coronavirus Local Fiscal Recovery Funds (collectively "CSLFRF") awarded to the Town of Carrboro pursuant to ARPA.
- c. Federal award means the Federal financial assistance that a recipient receives directly from a Federal awarding agency or indirectly from a pass-through entity, as described in § 200.101. The Federal award is the instrument setting forth the terms and conditions of the grant agreement, cooperative agreement, or other agreement for assistance.
- d. Federal awarding agency means the Federal agency that provides a Federal award directly to a non-Federal entity.
- e. Federal financial assistance means the assistance that non-Federal entities receive or administer in the form of grants, cooperative agreements, non-cash contributions, direct appropriations, food commodities, or other financial assistance, including loans.
- f. Federal program means all Federal awards which are assigned a single Assistance Listings Number.
- g. *Non-Federal entity* means a State, local government, Indian tribe, Institution of Higher Education (IHE), or nonprofit organization that carries out a Federal award as a recipient or subrecipient.
- h. *Period of performance* means the total estimated time interval between the start of an initial Federal award and the planned end date, which may include one or more funded portions, or budget periods. The period of performance for the ARP/CSLFRF award ends December 31, 2026.
- i. *Program income* means gross income earned by the non-Federal entity that is directly generated by a supported activity or earned as a result of the Federal award during the period of performance except as provided in § § 200.307(f).

² Excluding the first two, the definitions in this section are found in 2 C.F.R. 200.1.

III. PROGRAM INCOME OVERVIEW

For purposes of this policy, program income is the gross income earned by the Town that is directly generated by a supported activity or earned as a result of the ARP/CSLFRF award during the period of performance, which closes December 31, 2026. 2 CFR 200.1.

Program income includes, but is not limited to, the following sources of income:

- The collection of fees for services performed.
- Payments for the use or rental of real or personal property.
- The sale of commodities or items fabricated under the Federal award.
- The payment of principal and interest on loans made under the Federal award.

Program income does not include fees or revenue from the following:

- The use of rebates, credits, discounts, and interest earned on any of them.
- Governmental revenues, such as taxes, special assessments, levies, or fines.
- Proceeds from the sale of real property, equipment, or supplies.³

IV. USE OF PROGRAM INCOME

Program income earned pursuant to expenditures of ARP/CSLFRF is the property of US Treasury and shall be accounted for in one of three ways pursuant to <u>2 C.F.R. §</u> 200.307(e).

<u>Deduction Method</u>: Program income must be deducted from total allowable costs to determine net allowable costs. Program income shall be used to reduce Treasury's obligation under the ARP/CSLFRF award rather than to increase the funds committed to a project. Program income shall be used for current costs. The Town shall track and account for program income during the period of performance and shall reimburse Treasury, as required. 2 C.F.R. § 200.307(e)(1).

Addition Method: With prior approval, program income may be added to the total amount of the ARP/CSLFRF award, thereby increasing the total amount of the award. Program income must be expended on an eligible project or program. 2 C.F.R. § 200.307(e)(2). Pursuant to the terms of the ARP/CSLFRF award, the repayment of principal and interest on loans made with ARP/CSLFRF funds that will mature or be forgiven on or before December 31, 2026, may be accounted for using the addition method (see Section VI).

³ 2 C.F.R. 200.1 and 2 C.F.R. 200.307 each define and limit the sources of program income.

<u>Matching or Cost Sharing Method</u>: With prior approval, program income may be used to meet the cost sharing or matching requirement of the Federal award. The amount of the Federal award shall not change.⁴ 2 C.F.R. § 200.307(e)(3).

Unless the ARP/CSLFRF award otherwise stipulates, or the Town has received prior approval, the Town **shall apply the deduction method** to account for the use of program income.

V. ALLOCATION OF PROGRAM INCOME

The Town shall only expend program income on costs that are reasonable, allocable, and allowable under the terms of the ARP/CSLFRF award.⁵ To adhere to these requirements, the Town shall comply with the cost principles included in 2 C.F.R. § 200, as outlined in the Town's allowable cost policy. The Town shall allocate program income to the ARP/CSLFRF award in proportion to the pro rata share of the total funding (e.g., if ARP/CSLFRF funds cover half of a project's cost, with general revenue covering the other half, the unit shall allocate 50% of any program income earned to the ARP/CSLFRF award and account for its use pursuant to § 200.307).

VI. REPAYMENT OF PRINCIPAL AND INTEREST ON LOANS MADE WITH ARP/CSLFRF FUNDS

Treasury expects that a significant share of loans made with ARP/CSLFRF funds will be repaid. Accordingly, it has issued guidance on how to appropriately account for the repayment of principal and interest. The Town agrees to appropriately account for the return of loan funds according to the ARP/CSLFRF award terms, as follows:

• For Loans that mature or are forgiven on or before December 31, 2026: The Town of Carrboro may add the repayment of principal and interest (program income) to the ARP/CSLFRF award. When the loan is made, the Town of Carrboro shall report the principal of the loan as an expense. The Town of Carrboro shall expend the repayment of principal only on eligible uses and is subject to restrictions on the timing of the use of ARP/CSLFRF funds pursuant to the ARP/CSLFRF award. Interest payments received prior to the end of the period of performance will be considered an addition to the total award and may be used for any purpose that is an eligible use. The Town is not subject to restrictions under 2 CFR 200.307(e)(1) (the deduction method) in accounting for the use of program income.⁶

⁴ The Final Rule provides that a non-Federal entity may expend up to the amount of its reduction in revenue due to the pandemic to meet the non-federal cost-share or matching requirements of other federal programs. However, the Final Rule does not mention whether *program income* may be used to meet cost-sharing or matching requirements. A non-Federal entity should not allocate program income to cost share or matching requirements unless it receives prior approval from Treasury.

⁵ 2 C.F.R. § § 200.404, 408.

⁶ Final Rule, p. 4436

- For Loans with maturities longer than December 31, 2026: The Town is not required to separately account for the repayment of principal and interest on loans that will mature after the ARP/CSLFRF award's period of performance. The Town may use ARP/CSLFRF for only the projected cost of the loan. The Town may estimate the subsidy cost of the loan, which equals the expected cash flows associated with the loan discounted at the Town's cost of funding. The cost of funding can be determined based on the interest rates of securities with a similar maturity to the cash flow being discounted that were either (i) recently issued by the Town or (ii) recently issued by a unit of state, local, or Tribal government similar to the Town. If the Town has adopted the Current Expected Credit Loss (CECL) standard, it may also treat the cost of the loan as equal to the CECLbased expected credit losses over the life of the loan. The Town may measure projected losses either once, at the time the loan is extended, or annually over the covered period. Under either approach, the Town is not subject to restrictions under 2 CFR 200.307(e)(1) (the deduction method) and need not separately track repayment of principal or interest. 7
- Revolving Loan Funds: The Town shall treat the contribution of ARP/CSLFRF funds to a revolving loan fund according to approach described above for loans with maturities longer than December 31, 2026. The Town may contribute ARP/CSLFRF funds to a revolving loan only if the loan is determined to be for eligible use and the ARP/CSLFRF funds contributed represent the projected cost of loans made over the life of the revolving loan fund.

VII. ADDITIONAL PROGRAM INCOME REQUIREMENTS

(a) **Identifying, Documenting, Reporting, and Tracking.** To ensure compliance with the requirements of program income as outlined by the Federal regulations, the terms and conditions of the ASP/CSLFRF award, and the requirements set forth herein, each department shall identify potential sources of program income and properly report the program income for the period in which it was earned and dispersed.

Program income shall be accounted for separately. The Town shall not comingle program income earned from programs supported by ARP/CSLFRF funds with the general award of ARP/CSLFRF funds the Town received from Treasury. Any costs associated with generating program income revenue shall be charged as expenditures to the ARP/CSLFRF award.

(b) **Program Income Earned After the Period of Performance**. The Town shall have no obligation to report program income earned after the period of performance (December 31, 2026). However, the Town shall report program income expended after the period of performance if that program income was earned on or before December 31, 2026.

⁷(See question 4.11 in <u>Treasury's Interim Final Rule FAQ document.</u>)

⁸See question 4.11 in <u>Treasury's Interim Final Rule FAQ document.</u>)

- (c) **Subawards.** The Town agrees to ensure that any subrecipient of ARP/CSLFRF funds abides by the award of the terms and conditions of this policy and is aware that the subrecipient is responsible for accounting for and reporting program income to the Town on a monthly basis.
- (d) **Compliance with State law.** Program income shall not be expended for purposes prohibited under State law.
- (e) **Subject to Audit.** The Town recognizes that its use of program income may be audited and reviewed for compliance with Federal laws and regulations, State law, and the terms of the ARP/CSLFRF award.

VIII. IMPLEMENTATION OF POLICY

The Chief Financial Officer will adopt procedures to identify potential program income during the project eligibility and allowable cost review, document actual program income, and follow the requirements in this policy related to the treatment of program income.



ARPA POLICY NO. 2022-04

RECORDKEEPING RELATED TO THE EXPENDITURE OF ARPA CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS

Recordkeeping and Annual Project and Expenditure Reports. [Section VIII, Reporting, Interim Final Rule, and 9.2 Treasury FAQs 6/17/2021]

What records must be kept by governments receiving payment?

"A government should keep records sufficient to demonstrate that the amount of Fund payments to the government has been used in accordance with section 601(d) of the Social Security Act."

Financial records and supporting documents related to the award must be retained for a period of 5 years after all funds have been spent or returned to Treasury, whichever is later. This includes those that demonstrate the award funds were used for eligible purposes in accordance with ARPA, Treasury's regulations implementing those sections, and Treasury's guidance on eligible uses of funds.

Annual Project and Expenditure Reports

Non-entitlement units of local government must file <u>Annual Project and Expenditure Report</u> with Treasury by October 31. The initial annual Project and Expenditure report will cover activity from the date of award to September 30, 2021 and must be submitted to Treasury thereafter by October 31, 2021.

Annual Project and Expenditure Reports are to include:

Financial data, information on contracts and sub-awards over \$50,000, types of projects funded, and other information regarding a recipient's utilization of award funds.

The reports will include the same general data as those submitted by recipients of the Coronavirus Relief Fund (e.g. obligations, expenditures, contracts, grants, and sub-awards). Some modifications will be made to expenditure categories and the addition of data elements related to specific eligible uses.

Treasury will provide further guidance and instructions on the reporting requirements for program at a later date.

ARPA POLICY NO. 2022-05

PROPERTY MANAGEMENT RELATED TO THE EXPENDITURE OF ARPA CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS

WHEREAS the Town of Carrboro 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 (ARP/CSLFRF); and

WHEREAS the funds may be used for projects within these categories, to the extent authorized by state law.

- 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 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; and

WHEREAS the ARP/CSLFRF are subject to the provisions of the federal Uniform Grant Guidance, 2 CFR Sect. 200 (UG), as provided in the <u>Assistance Listing</u>; and

WHEREAS the Compliance and Reporting Guidance for the State and Local Fiscal Recovery Funds (v4.1 June 2022) provides, in relevant part:

Equipment and Real Property Management. Any purchase of equipment or real property with ARP/SLFRF funds must be consistent with the Uniform Guidance at 2 CFR Part 200, Subpart D. Equipment and real property acquired under this program must be used for the originally authorized purpose. Consistent with 2 CFR 200.311 and 2 CFR 200.313, any equipment or real property acquired using ARP/SLFRF funds shall vest in the non-Federal entity. Any acquisition and maintenance of equipment or real property must also be in compliance with relevant laws and regulations.

WHEREAS Subpart D of the UG dictates title, use, management, and disposal of real property, equipment, and supplies acquired in whole or in part with ARP/CSLFRF funds;

BE IT RESOLVED that the governing board of the Town of Carrboro hereby adopts and enacts the following UG Property Management Policy for the expenditure of ARP/CSLFRF funds.

I. POLICY OVERVIEW

<u>Title 2 U.S. Code of Federal Regulations Part 200</u>, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, commonly called Uniform Guidance (UG), specifically Subpart D, details post award requirements related to property management of property acquired or updated, in whole or in part, with funds from the Coronavirus State and Local Fiscal Recovery Funds of H.R. 1319 American Rescue Plan Act of 2021 (ARP/CSLFRF).

2 CFR 200.311 through 2 CFR 200.316, as modified by <u>US Treasury ARP/CSLFRF</u> <u>Final Rule FAQs 13.15 & 13.16</u>, detail property standards related to the expenditure of ARP/CLSFRF funds. The Town of Carrboro, hereinafter Town shall adhere to all applicable property standards, as detailed below. **Note that pursuant to ARP/CSLFRF Final Rule FAQ 13.15**, the Uniform Guidance property standards do not apply to real property, equipment, or supplies purchased or improved with Revenue Replacement ARP/CSLFRF funds.

II. **DEFINITIONS**

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

Computing devices: machines used to acquire, store, analyze, process, and publish data and other information electronically, including accessories (or "peripherals") for printing, transmitting and receiving, or storing electronic information. See also the definitions of supplies and information technology systems in this section.

Equipment: tangible <u>personal property</u> (including information technology systems) having a <u>useful</u> life of more than one year and a per-unit <u>acquisition</u> <u>cost</u> which equals or exceeds the lesser of the capitalization level established by the Town for financial statement purposes, or \$5,000.

Information technology systems: computing devices, ancillary equipment, software, firmware, and similar procedures, services (including support services), and related resources. See also the definitions of computing devices and equipment in this section.

Intangible property: property having no physical existence, such as trademarks, copyrights, patents and patent applications and property, such as loans, notes and

other debt instruments, lease agreements, stock and other instruments of property ownership (whether the property is tangible or intangible).

Personal property: property other than <u>real property</u>. It may be tangible, having physical existence, or intangible.

Property: real property or personal property.

Real property: land, including land improvements, structures and appurtenances thereto, but excludes moveable machinery and equipment.

Supplies: all tangible <u>personal property</u> other than those described in the definition of equipment in this section. A computing device is a supply if the <u>acquisition cost</u> is less than the lesser of the capitalization level established by the local government for financial statement purposes or \$5,000, regardless of the length of its useful life. See also the <u>definitions</u> of computing devices and equipment in this section.

III. REAL PROPERTY

Title to Real Property: Title to real property acquired or improved with ARP/CSLFRF funds vests with the Town (2 CFR 200.311(a)).

Use of Real Property: During the period of performance of the ARP/CSLFRF award, the Town may use real property purchased or improved with ARP/CSLFRF funds for a purpose other than the purpose for which it was purchased or improved if such other purpose is also consistent with the ARP/CSLFRF eligible use requirements.

If the Town changes the use of the real property to an ineligible use or sells the real property prior to the end of the period of performance, then it must follow the disposition procedures detailed in the Disposition of Real Property section below.

After the period of performance of the ARP/CSLFRF award, the Town must use the real property consistent with the purpose for which it was purchased or improved or for any other eligible purpose in the same category as the purpose reported to US Treasury as of the final reporting period, as set forth in the table below:

Category	Use Requirements
Public Health and Assistance to Households and Individuals	Property, supplies, or equipment last reported as being used to respond to the public health impacts of the public health emergency, as outlined in 31 CFR 35.6(b)(3)(i), or being used for the provision of services to households provided in 31 CFR 35.6(b)(3)(ii)(A), are authorized to fulfill any eligible use of funds provided in these subparagraphs of the Final Rule.
Assistance to Small Businesses, Nonprofits, and Impacted Industries	Property, supplies, or equipment last reported as being used for the provision of services to small businesses, nonprofits, and impacted industries outlined in 31 CFR 35.6(b)(3)(ii)(B)-(D) are authorized to fulfill any eligible use of funds outlined in the public health and negative economic impacts eligible use category.
Water, Sewer, or Broadband Infrastructure	Property, supplies, or equipment last reported as being used to make investments in water, sewer, or broadband infrastructure pursuant to 31 CFR 35.6(e) are authorized to fulfill any eligible use of funds outlined in the water, sewer, and broadband infrastructure eligible use category.
Government Services/Revenue Loss	N/A
Premium Pay	N/A

If the real property's use shifts outside the parameters of the eligible purpose according to this table above after the period of performance, then the Town (and any subrecipients) must follow the disposition procedures in the Disposition of Real Property section below. The Town is responsible for being able to substantiate its determination on whether the use of the real property is authorized and maintain a record of that determination in accordance with the requirements set forth in the financial assistance agreement accepted in connection with the ARP/CSLFRF award.

The Town is not required to seek or obtain the approval of U.S. Treasury prior to changing the use within the parameters of these authorized purposes.

Insurance of Real Property: The Town must provide the equivalent insurance coverage for real property acquired or improved with ARP/CSLFRF funds as provided to property owned by the Town. 2 CFR 200.310.

No Encumbrance of Real Property: The Town may not encumber the real property unless authorized by US Treasury. 2 CFR 200.311(b).

Disposition of Real Property: If the Town changes the use of real property to an ineligible use or sells the asset during the period of performance of the ARP/CSLFRF award or changes the use of the asset outside the eligible category after the period of performance ends, then the Town must obtain disposition instructions from U.S. Treasury. The instructions must provide for one of the following alternatives:

- 1. The Town retains title after compensating U.S. Treasury. The amount paid to U.S. Treasury will be computed by applying U.S. Treasury's percentage of participation in the cost of the original purchase (and costs of any improvements) to the fair market value of the property. However, in those situations where the Town is disposing of real property acquired or improved with ARP/CSLFRF funds and acquiring replacement real property under the ARP/CSLFRF, the net proceeds from the disposition may be used as an offset to the cost of the replacement property.
- 2. The Town sells the property and compensates US Treasury. The amount due to US Treasury will be calculated by applying US Treasury's percentage of participation in the cost of the original purchase (and cost of any improvements) to the proceeds of the sale after deduction of any actual and reasonable selling and fixing-up expenses. If the ARP/CSLFRF award has not been closed out, the net proceeds from sale may be offset against the original cost of the property. When the Town is directed to sell property, sales procedures must be followed that provide for competition to the extent practicable and result in the highest possible return.
- 3. The Town transfers title to US Treasury or to a third party designated/approved by US Treasury. The Town is entitled to be paid an amount calculated by applying the Town's percentage of participation in the purchase of the real property (and cost of any improvements) to the current fair market value of the property. 2 CFR 200.311(c).

IV. EQUIPMENT

Title to Equipment: Title to equipment acquired or improved with ARP/CSLFRF funds vests with the Town. 2 CFR 200.313(a).

Use of Equipment: During the period of performance of the ARP/CSLFRF award, the Town may use equipment purchased or improved with ARP/CSLFRF funds for a purpose

other than the purpose for which it was purchased or improved if such other purpose is also consistent with the ARP/CSLFRF eligible use requirements.

If the Town changes the use of equipment to an ineligible use or sells the equipment prior to the end of the period of performance, then it must follow the disposition procedures detailed in the Disposition of Equipment section below.

After the period of performance of the ARP/CSLFRF award, the Town must use equipment consistent with the purpose for which it was purchased or improved or for any other eligible purpose in the same category as the purpose reported to US Treasury as of the final reporting period, as set forth in the table below:

Category	Use Requirements	
Dublic Health and	Property, supplies, or equipment last reported as being used to respond to the	
Public Health and Assistance to Households	public health impacts of the public health emergency, as outlined in 31 CFR 35.6(b)(3)(i) or being used for the provision of services to households provided	
and Individuals	in 31 CFR 35.6(b)(3)(ii)(A), are authorized to fulfill any eligible use of funds	
	provided in these subparagraphs of the Final Rule.	
	Property, supplies, or equipment last reported as being used for the provision	
Assistance to Constl	of services to small businesses, nonprofits, and impacted industries outlined in	
Assistance to Small	31 CFR 35.6(b)(3)(ii)(B)-(D) are authorized to fulfill any eligible use of funds	
Businesses, Nonprofits,	outlined in the public health and negative economic impacts eligible use	
and Impacted Industries	category.	
	Property, supplies, or equipment last reported as being used to make	
Water, Sewer, or	investments in water, sewer, or broadband infrastructure pursuant to 31 CFR	
Broadband Infrastructure	35.6(e) are authorized to fulfill any eligible use of funds outlined in the water,	
	sewer, and broadband infrastructure eligible use category.	
Government	N/A	
Services/Revenue Loss	IV/A	
Premium Pay	N/A	

If the equipment's use shifts outside the parameters of the eligible purpose according to the table above after the period of performance, then the Town (and any subrecipients) must follow the disposition procedures in the Disposition of Equipment section below.

The Town is responsible for being able to substantiate its determination on whether the use of equipment is authorized and maintain a record of that determination in accordance with the requirements set forth in the financial assistance agreement accepted in connection with the ARP/CSLFRF award.

The Town is not required to seek or obtain the approval of US Treasury prior to changing the use within the parameters of these authorized purposes.

During the time that equipment is used on the project for which it was acquired, the Town must also make equipment available for use on other projects or programs currently or previously supported by the Federal Government, provided that such use will not interfere with the work on the project for which it was originally acquired. First preference for other use must be given to other programs or projects supported by US Treasury and second preference must be given to programs or projects under Federal awards from other Federal awarding agencies. Use for non-federally funded programs or projects is also permissible. User fees should be considered if appropriate. 2 CFR 200.313(c)(2).

Noncompetition: The Town must not use equipment acquired with the ARP/CSLFRF funds to provide services for a fee that is less than private companies charge for equivalent services unless specifically authorized by Federal statute for as long as the Federal Government retains an interest in the equipment. 2 CFR 200.313(c)(3).

No Encumbrance: The Town may not encumber the equipment without approval of U.S. Treasury. The Town may use the equipment to be replaced as a trade-in or sell the property and use the proceeds to offset the cost of the replacement property. 2 CFR 200.313(c)(4).

Management of Equipment: The Town will manage equipment (including replacement equipment) acquired in whole or in part with ARP/CSLF funds according to the following requirements.

- 1. The Town will maintain sufficient records that include
 - a) a description of the property,
 - b) a serial number or other identification number,
 - c) the source of funding for the property (including the Federal Award Identification Number (FAIN)),
 - d) who holds title,
 - e) the acquisition date,
 - f) cost of the property,
 - g) percentage of Federal participation in the project costs for the Federal award under which the property was acquired,
 - h) the location, use and condition of the property, and
 - i) any ultimate disposition data including the date of disposal and sale price of the property.

- 2. The Town will conduct a physical inventory of the property and reconcile results with its property records at least once every two years.
- 3. The Town will develop a control system to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft will be investigated by the Town.
- 4. The Town will develop and implement adequate maintenance procedures to keep the property in good condition.
- 5. If the Town is authorized or required to sell the property, it will establish proper sales procedures to ensure the highest possible return, in accordance with state and federal law.

Insurance of Equipment: The Town must provide the equivalent insurance coverage for equipment acquired or improved with ARP/CSLFRF funds as provided to property owned by the Town. 2 CFR 200.310.

Disposition of Equipment: If the Town changes the use of the equipment to an ineligible use or sells the equipment during the period of performance of the ARP/CSLFRF award or changes the use of the equipment outside the eligible category after the period of performance ends, then the Town may either make the equipment available for use in other activities funded by a Federal agency, with priority given to activities funded by US Treasury, dispose of the equipment according to instructions from US Treasury, or follow the procedures below. 2 CFR 200.313(e).

- 1. Equipment with a per-item fair market value of less than \$5,000 may be retained, sold or transferred by the Town, in accordance with state law, with no additional responsibility to US Treasury.
- 2. If no disposal instructions are received from US Treasury, equipment with a peritem fair market value of greater than \$5,000 may be retained or sold by the Town. The Town must establish proper sales procedures, in accordance with state law, to ensure the highest possible return. The Town must reimburse US Treasury for its federal share. Specifically, US Treasury is entitled to an amount calculated by multiplying the current market value or proceeds from sale by the ARP/CSLFRF funding percentage of participation in the cost of the original purchase. If the equipment is sold, US Treasury may permit the Town to deduct and retain from the Federal share \$500 or ten percent of the proceeds, whichever is less, for its selling and handling expenses.
- 3. Equipment may be transferred to US Treasury or to a third-party designated by US Treasury in return for compensation to the Town for its attributable compensation for its attributable percentage of the current fair market value of the property.

V. SUPPLIES

Title to Supplies. Title to supplies acquired with ARP/CSLFRF funds vests with the Town upon acquisition. 2 CFR 200.314(a).

Use of Supplies: During the period of performance of the ARP/CSLFRF award, the Town may use supplies purchased or improved with ARP/CSLFRF funds for a purpose other than the purpose for which it was purchased or improved if such other purpose is also consistent with the ARP/CSLFRF eligible use requirements.

If the Town changes the use of supplies to an ineligible use or sells the supplies prior to the end of the period of performance, then it must follow the disposition procedures detailed in the Disposition of Supplies section below.

After the period of performance of the ARP/CSLFRF award, the Town must use supplies consistent with the purpose for which they were purchased or improved or for any other eligible purpose in the same category as the purpose reported to US Treasury as of the final reporting period, as set forth in the table below:

Category	Use Requirements
Public Health and Assistance to Households	Property, supplies, or equipment last reported as being used to respond to the public health impacts of the public health emergency, as outlined in 31 CFR 35.6(b)(3)(i) or being used for the provision of services to households provided in 31 CFR 35.6(b)(3)(ii)(A), are authorized to fulfill any eligible use of funds provided in these subparagraphs of the Final Rule.
Assistance to Small	Property, supplies, or equipment last reported as being used for the provision of services to small businesses, nonprofits, and impacted industries outlined in 31 CFR 35.6(b)(3)(ii)(B)-(D) are authorized to fulfill any eligible use of funds outlined in the public health and negative economic impacts eligible use category.
Water, Sewer, or Broadband Infrastructure	Property, supplies, or equipment last reported as being used to make investments in water, sewer, or broadband infrastructure pursuant to 31 CFR 35.6(e) are authorized to fulfill any eligible use of funds outlined in the water, sewer, and broadband infrastructure eligible use category.
Government Services/Revenue Loss	N/A

Premium Pay	
	N/A
as .	

If the supplies use shift outside the parameters of the eligible purpose according to the table above after the period of performance, then the Town (and any subrecipients) must follow the disposition procedures in the Disposition of Supplies section below.

The Town is responsible for being able to substantiate its determination on whether the use of supplies is authorized and maintain a record of that determination in accordance with the requirements set forth in the financial assistance agreement accepted in connection with the ARP/CSLFRF award.

The Town is not required to seek or obtain the approval of US Treasury prior to changing the use within the parameters of these authorized purposes.

Noncompetition. As long as the Federal Government retains an interest in the supplies, the Town must not use supplies acquired under the ARP/CSLFRF to provide services to other organizations for a fee that is less than private companies charge for equivalent services, unless specifically authorized by Federal statute. 2 CFR 200.314(b).

Disposition of Supplies. If there is a residual inventory of unused supplies exceeding \$5,000 in total aggregate value upon termination or completion of the project and the supplies are not needed for any other Federal award, the non-Federal entity must retain the supplies for use on other activities or sell them, but must, in either case, compensate the Federal Government for its share. The amount of compensation must be computed in the same manner as for equipment. 2 CFR 200.314(a).

VI. PROPERTY TRUST RELATIONSHIP

Real and personal property, equipment, and intangible property, that are acquired or improved with ARP/CSLFRF funds must be held in trust by the Town as trustee for the beneficiaries of the project or program under which the property was acquired or improved. US Treasury may require the Town to record liens or other appropriate notices of record to indicate that personal or real property has been acquired or improved with a Federal award and that use and disposition conditions apply to the property. 2 CFR 200.316.

VII. IMPLEMENTATION OF POLICY

The Chief Financial Officer for the Town shall adopt procedures to track all property, equipment, and supplies (collectively, property) acquired or improved in whole or in part with ARP/CLSFRF funds. At a minimum, those procedures must address the following:

• Ensure proper insurance of property

- Document proper use of property
- Working with the Town's Purchasing Coordinator, record and maintain required data records for equipment
- Conduct periodic inventories of equipment, at least every two years
- Create processes for replacement and disposition of property
- Establish other internal controls to safeguard and properly maintain property

This policy is effective upon adoption by the Carrboro Town Council.



SUBAWARD & MONITORING FOR EXPENDITURE OF ARPA CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS

WHEREAS the Town of Carrboro (Town) 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 (ARP/CSLFRF); and

WHEREAS the funds may be used for projects within these categories, 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. 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; and

WHEREAS the ARP/CSLFRF are subject to the provisions of the federal Uniform Grant Guidance, 2 CFR Part 200 (UG), as provided in the <u>Assistance Listing (21.027)</u>; and

WHEREAS the ARP/CSLFRF authorizes the Town to enter subaward agreements with subrecipients to assist the Town in carrying out the terms of the ARP/CSLFRF; and

WHEREAS if the Town enters into a subaward as a subrecipient, it acts as a pass-through entity, as described in 2 CFR 200.1; and

WHEREAS 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 <u>should develop written policies and procedures</u> <u>for subrecipient monitoring and risk assessment and maintain records</u> 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 <u>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.</u> 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; and

WHEREAS Subpart D of the UG dictates subrecipient and award requirements for expenditure of ARP/CSLFRF funds; and

WHEREAS 2 CFR 200.332 states that:

All pass-through entities must:

- (h) 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.
- (i) Evaluate each subrecipient's risk of noncompliance with Federal statues, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring.
- (j) Consider imposing specific subaward conditions upon a subrecipient if appropriate as described by 2 CFR 200.208.
- (k) Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statues, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved.
- (l) 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 and achievement of performance goals.
- (m) 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.
- (n) 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.
- (o) Consider taking enforcement action against noncompliant subrecipients as described in 2 CFR 200.339 and in program regulations.

BE IT RESOLVED that the governing board of the Town of Carrboro hereby adopts and enacts the following Subaward and Monitoring Policy for the expenditure of ARP/CSLFRF funds.

I. POLICY OVERVIEW

<u>Title 2 U.S. Code of Federal Regulations Part 200</u>, (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).

The Town of Carrboro (hereinafter TOWN) 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 the Town Manager and Chief Financial Officer who are charged with the administration and financial oversight of the ARP/CSLFRF.

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 TOWN IS THE PASS-THROUGH ENTITY IF 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 TOWN 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 of 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 TOWN will use the above criteria to determine if an agreement involving the expenditure of ARP/CSLFRF is a contract or subaward. The Town 's Chief Financial Officer 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 TOWN must follow its UG Procurement Policy when entering into a contract.

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

IV. ASSESSMENT OF RISK

Before engaging in a subaward, the TOWN 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.

The TOWN's Chief Financial Officer 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 TOWN 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	There is moderate risk that	There is high risk that the
subrecipient will fail to	the subrecipient will fail to	subrecipient will fail to
meet project or	meet project or	meet project or
programmatic objectives or	programmatic objectives or	programmatic objectives or
incur significant	incur significant	incur significant
deficiencies in financial,	deficiencies in financial,	deficiencies in financial,
regulatory, reporting, or	regulatory, reporting, or	regulatory, reporting, or
other compliance	other compliance	other compliance
requirements.	requirements.	requirements.

If a proposed subrecipient is deemed high risk, the Chief Financial Officer must provide written justification to proceed with the subaward. The justification must be approved by the Town Attorney.

V. SUBRECIPIENT MONITORING

The TOWN 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 TOWN'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	Subrecipient Deemed	Subrecipient Deemed	
Low Risk	Medium Risk	High Risk	
 Payment validations (monthly) Report reviews (quarterly) Desk reviews (at least once per year and more frequently if requested by Town or subrecipient Onsite reviews (upon request of Town or subrecipient 	 More detailed financial reporting Payment validations (monthly) Report reviews (bimonthly) Desk reviews (within 6 months of project start and every six months thereafter) Onsite reviews (within 12 months of project 	 More detailed financial reporting Compliance training (one-time) Prior approvals for certain expenditures Payment validations (monthly) Report reviews (monthly) Desk reviews (within 3 months of project start 	

Audit review (yearly)	start and annually thereafter, or more frequently as requested by Town or subrecipient • Audit review (yearly) • Procedures engagement (if subrecipient not subject to Single Audit Act; yearly)	and at least quarterly thereafter) Onsite reviews (within 6 months of project start and bi-annually thereafter, or more frequently as requested by Town or subrecipient Audit review (yearly) Procedures engagement (if subrecipient not subject to Single Audit Act; yearly)
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Payment validation: All subrecipient documentation for project expenditures must be reviewed by the TOWN 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 TOWN.

Report review: A subrecipient must submit 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 Town program staff and Finance. 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 TOWN 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 TOWN 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 TOWN 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 TOWN 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 TOWN 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 TOWN 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 TOWN 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 TOWN 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 TOWN. The TOWN will verify completion of the procedure's engagement. Within six months of the acceptance of the procedure's engagement report, the TOWN 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 TOWN 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 TOWN 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, Chief Financial Officer must perform periodic reviews and document findings in the Subrecipient Monitoring Form (<u>Appendix 3: Subrecipient Monitoring Form</u>).

VI. SUBRECIPIENT INTERVENTIONS

The TOWN may adjust specific subaward conditions as needed, in accordance with 2 CFR 200.208 and 2 CFR 200.339. If the TOWN determines that the subrecipient is not in compliance with the subaward, the TOWN 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 TOWN 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 TOWN 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 TOWN
- (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 Town Attorney 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. After review by TOWN Program Staff and Chief Financial Officer, the Town Manager may fully execute the subaward agreement, subject to any required budget amendments by the TOWN's governing board, preaudit requirements, and other contract execution prerequisites set by the Town Council.

APPENDIX 1: Subrecipient or Contractor Classification Checklist

If the Town of Carrboro wishes to contract with another government entity or a private entity and use ARP/CSLFRF funds to pay for that contract, the TOWN must determine if the relationship with the outside entity is a contractor or subrecipient. To make this determination the TOWN must review the project proposal, budget classification, and other related proposal documents, as well as engage in discussions with key personnel about the nature of the proposed agreement. The determination of whether a proposed agreement involves a contractor or subrecipient relationship must be recorded on this form and maintained in the project file for the duration of the records retention period for ARP/CSLFRF records.

Instructions: Complete Sections one through three. The section with the greatest number of marked characteristics indicates the likely type of relationship. The substance of the relationship should be given greater consideration than the form of agreement between the TOWN and outside entity. In borderline cases, the TOWN may either provide a written justification for its determination in Section three or, if appropriate, restructure the agreement to more clearly define it as either a contractor or subrecipient relationship.

Name of Outside Entity:

Section 1 Brief Description of Nature of Proposed Agreement:
Section 1 Subrecipient. A subaward is for the purpose of carrying out a portion of a
Federal award and creates a Federal assistance relationship between the recipient and the
subrecipient. Subrecipients may have one or more of the following characteristics:
☐ May determine who may be eligible to receive Federal assistance under the
program guidelines.
For example: A subrecipient that identifies mentors and mentees under a mentoring
program.
☐ Has its performance measured in relation to whether objectives of a Federal
program were
met? The recipient will rely upon the subrecipient's data to submit its own
performance
data to Treasury.
☐ Has responsibility for programmatic decision making. For example: If the recipient
funds

a subrecipient to develop (or improve) a particular program and the subrecipient
will use
its own judgment, discretion, and expertise to develop all or part of the program.
☐ In accordance with its subaward agreement (which may be in the legal form of a
contract),
the subrecipient uses the Federal funds to carry out a program for a public purpose
specified
in authorizing statutes, as opposed to providing goods or services for the benefit of
the
recipient. For example: To provide crime- or criminal-justice-related services
(and, in the
case of crime victims, compensation) to individual members of the public, such as
victims
of crime, or at-risk youth.
☐ The subrecipient will not earn a profit under the agreement.
☐ The subrecipient is required to contribute cash or in-kind match in support of the
subaward.
Section 2 Contractor. A contract is for the purpose of obtaining goods and services for the recipient's own use and creates a procurement relationship between the recipient and the contractor. <i>Entities that include these characteristics are not subject to compliance requirements of the Federal program because of the agreement, though similar requirements may apply for other reasons.</i> A contractor relationship may have one or more of the following characteristics:
☐ Provides goods and services within normal business operations.
☐ Provides similar goods or services to many different purchasers.
□ Normally operates in a competitive environment.
Provides goods or services that are ancillary to the operation of the Federal
Examples include but are not limited to: Office equipment, supplies, software
licenses, reference books, chemical reagents, cell phones, body-worn cameras,
body armor, internet services, cell phone service, website hosting,
copying/printing, lodging.
☐ The entity may earn a profit under the contract.
in the chitty may carri a profit under the contract.
FINAL DETERMINATION:
Subrecipient □ Contractor
Za Subrecipient
Section 3 – Justification. In determining whether an agreement between a recipient and
another non-Federal entity reflects a subrecipient or a contractor relationship, the
anomer non reactar entry reflects a subject plant of a contractor relationship, the

<u>Section 3 – Justification</u>. In determining whether an agreement between a recipient and another non-Federal entity reflects a subrecipient or a contractor relationship, the substance of the relationship is more important than the form of the agreement. Considering the characteristics checked above, provide a written justification for the final determination of either a subrecipient or contractor relationship.

Explanation of Justification I	Determination:	
Signature:	Date:	
Print Name and Title:		
APPENDIX 2: Subrecipient	Risk Assessment	

Subrecipient Information:

Subrecipient Name	[INSERT SUBRECIPIENT NAME, WHICH MUST MATCH THE
	NAME ASSOCIATED WITH ITS UNIQUE ENTITY IDENTIFIER]
Subrecipient Unique Entity Identifier:	[INSERT SUBRECIPIENT UNIQUE ENTITY IDENTIFIER]
Brief Description of Subaward Project and Role	[INSERT A BRIEF DESCRIPTION OF SUBAWARD PROJECT AND
of Subrecipient:	ROLE OF SUBRECIPIENT]
Name and Title of Subrecipient Personnel	[INSERT NAME AND TITLE OF SUBRECIPIENT PERSONNEL
Providing Information for this Risk Assessment	PROVIDIN INFO. FOR THIS RISK ASSESSMENT]

Choose an	Is the entity prohibited from receiving Federal funds due to suspension or debarment				
item.	per the Excluded Parties List located in the System for Award Management (SAM)?				
	(https://sam.gov/content/home)				
Choose an	Is the entity in good standing with Town of Carrboro? Discuss with appropriate staff.				
item.					
Choose an	Has Data Collection Form on Federal Audit Clearinghouse (FAC) been reviewed?				
item.	(https://facweb.census.gov/uploadpdf.aspx)				
If yes,	List Findings:				

	Risk Category	Rating Label	Comments
Gen	eral Assessments		
1.	Is the proposed subrecipient entity's	Choose an	
	(hereinafter "entity") facility, equipment,	item.	
	supplies, and staffing adequate for the needs		
	of the award?		
2.	Has the entity adopted and implemented all	Choose an	
	required Uniform Guidance policies and	item.	
	procedures?		
3.	Has the entity adopted and implemented	Choose an	
	records retention, conflict of interest, and	item.	
	nondiscrimination policies, consistent with		
	the ARP/CSLFRF award terms?		
4.	Is the entity properly licensed or certified by	Choose an	
	a recognized source (i.e., the Internal	item.	
	Revenue Service non-profit determination		

		T	1
	letter, bonded and insured if performing		
	construction-related activities, etc.)?		
5.	Does the entity have a Code of Ethics policy	Choose an	
	which is provided to all associated	item.	
	employees?		
6.	Has the entity's management demonstrated	Choose an	
	a commitment to compliance with the	item.	
	subaward terms and all applicable laws and		
	regulations?		
Finan	cial Management, Systems, & Personnel	1	
7.	Does the entity have a financial	Choose an	
	management system that provides records	item.	
	that can identify the sources and application		
	of funds for subaward funded activities?		
8.	Does the entity's financial management	Choose an	
	system provide for the control and	item.	
	accountability of project funds, property,		
	and other assets?		
9.	What is the current staffing level of the	Choose an	
	entity?	item.	
10.	Has there been any change in the entity's	Choose an	
	key staffing positions in the last 2 years?	item.	
11	What is the entity's staff's experience in	Choose an	
11.	performing stated activities in the proposed		
	subaward?	item.	
12	Does the entity have a formal, written	Choose an	
12.	personnel policy that addresses:	item.	
	(a) Pay rates & benefits	item.	
	(b) Time & attendance		
	(c) Leave		
	(d) Discrimination		
	(e) Nepotism		
	(f) Conflict of Interest?		
13.	Does the entity have sufficient internal	Choose an	
	controls related to the subaward funds?	item.	
1.1			
14.	Does the entity have sufficient cash flow to carry out the subaward terms?	Choose an	
		item.	
_	rience with Other Federal Grants	.	
15.	Has the entity previously done work for the	Choose an	If low or moderate (yes), list the last
	federal government?	item.	three agencies and award periods.
	(a) If low or moderate (yes), what is the	Choose an	
	entity's past performance on meeting federal	item.	
	program outcomes and managing federal		
	funds in compliance with federal regulations?		
16.	Is the entity experienced in managing federal	Choose an	
	funds of the scope of this proposed	item.	
	subaward?		
17	Identify any monitoring interventions the	Choose an	
	entity is currently subject to related to other	item.	
	federal grant awards.	itelli.	
	0	l	1

18.	Does the entity maintain an inventory of	Choose an	
	federal government property that, at a	item.	
	minimum, identifies purchase date, cost,		
	vendor, description, serial number, location,		
	and ultimate disposition data?		
Audi	ts		
19.	Does the entity have a designated federal	Choose an	If low (yes), provide name of audit
	cognizant audit agency?	item.	agency.
20.	Has the entity completed a Single Audit in	Choose an	If low or moderate (yes), provide a
	the past five years?	item.	copy of the most recent audit and do
			not complete the rest of the Audit
			Section.
	(a) If high (no) to 20., does the entity have	Choose an	If yes, please provide a copy of the
	annual financial statements that have been	item.	statements for the most current fiscal
	reviewed of audited by an independent audit		year. If no, please explain.
	firm?		
Indir	ect Rate Information		
21.	Does the entity have a negotiated federal	Choose an	If yes, what is the rate?
	indirect/F&A rate? (Note: This question does	item.	If no, indicate that de minimis 10%
	not impacted weight of risk assessment)		indirect rate will apply
Overall Risk Assessment			
22.	Based on the overall assessment, does the	Choose an	
	reviewer anticipate any implementation	item.	
	problems with the proposed subaward?		
23.	What percentage of the entity's overall	Choose an	
	annual budget will this subaward comprise?	item.	
24.	Considering all factors above, assess	Choose an item.	
	overall level of risk		

Document any additional findings, mitigating factors, and recommendations here.					
Assessment Completed By:	Date:				

implementation and subaward compliance. The TOWN's project manager assigned to the subaward or chief financial officer must complete this report for each payment validation, report review, desk review, site review, and audit or procedures engagement review during the subaward term (and, as appropriate, after the expiration or termination of the subaward). Upon completion, and following review by TOWN PROGRAM AND FINANCE STAFF, the original will be filed in the subaward file. Any required

subrecipient corrective actions will be detailed in writing and provided to the subrecipient within thirty days of the completion of this report.

I. **Subaward Overview** (complete this section for all reviews)

STAFF INFORMATION

Reviewed conducted	Date:
by:	
Type (programmatic,	Date:
financial, or both)	
Review confirmed by:	Date:

SUBRECIPIENT INFORMATION

Subrecipient Name:			
Subrecipient Program Personnel (who			
participated in the review):			
Subrecipient Contact Phone Number:			
Subrecipient Fiscal/Audit Personnel			
(who participated in the review):			
Subrecipient Fiscal Contact Phone			
Number:			

GRANT REVIEW INFORMATION

Grant	Project #	Award \$	POP	POP End	Review Period	
			Begin			
					Beginning	Ending
					Date	Date

TYPE OF MONITORING

Type of Monitoring	Date Completed	Comments
Payment Validation	_	
(Complete this column, but		
not the rest of the form.)		
Report Review (Complete		
this column, but not the rest		
of the form.)		
Audit or Procedures		
Engagement Review		
(Complete this column, but		
not the rest of the form.)		
Desk Review (If desk		
review, complete the rest of		
the form.)		
Onsite Review (If onsite		
review, complete the rest of		
the form.)		

II. <u>Desk and Onsite Reviews</u> (complete this section for desk and onsite reviews only)

PRE-MEETING NOTES

List any issues, concerns, or other specialty items for follow-up during review.

- 1.
- 2.

SUMMARY OF PROGRESS

Subrecipient must submit a written summary of the major workplan milestones during the review period at least one week prior to the review. The summary must address 1) number of clients served as compared with projections; 2) staffing; 3) activities undertaken; and 4) significant accomplishments. A copy of that summary will be appended to this written review report.

MONITORING OVERVIEW
PROGRAM IMPLEMENTATION
Indicate milestones met this quarter and identify milestones as scheduled to occur in the
following quarter.
ACTIVITIES/PRODUCTS
Identify any reports or products that were submitted during the quarter, and identify those
due the following quarter.
CORRECTIVE ACTIONS FROM PRIOR REVIEWS
Indicate actions taken in response to prior review issues.

ASSESSMENT OF QUALITY OF IMPLEMENTATION Is the project being implemented on schedule? Are the activities impacting the goals and objectives as outlined in approved application?						
ISSUES/PROBLEMS Discuss significant new issues/problems with respect to projected milestones, audits, staffing, client flow, departures from approved goals, late reports, etc.						
MONITORING CRECIFICS						
MONITORING SPECIFICS						
(Complete all fields that are applicable to the subaward.)						
Activity Goals	N/A					
Scope of Service, Number of People to be Served, and any Special Terms stated within the Suba	ward					
Agracment						
Agreement.						
1. Has there been a change in the activity goals, scope of service, number of \Box						

2.	Did the activity conform to any additional or special terms as reflected i the Subaward Agreement?	n 🗆		
3.	Is the subrecipient providing the full scope of services as stated in the			
	application and Subaward Agreement?			
4.	Are the actual accomplishments at the time of this review the same as			
	the planned accomplishments? Is the activity achieving the expected	_		
	quantifiable levels of performance (number of persons served, achieving goals set for clients, etc.) reaching the intended client group?	3		
5.	Is the overall activity performance schedule being met in a timely mann	er 🗆		
٥.	(i.e. goal for number of clients served, expenditure of funds in timely			
	manner, reporting requirements)?			
6.	Did the activity operate within the approved budget as detailed in the			
	Subaward Agreement? (i.e., budgetary line items both accurate and			
	realistic for activity expenses; source and use of match funds accurate)			
7.	Did the activity funding source change?			
8.	Was there a change in make-up or responsibility of staff for the activity?	· 🗆		
9.	Were invoices for reimbursement payments submitted with support			
	documentation?			
10.	. Were reports outlined in the Subaward Agreement submitted on time?			
Genera	Il Comments			
Genera	Il Compliance	Yes	No	N/A
	of Compliance state of the Com		_	-
Reques			_	-
Request and Uni	et a copy of all applicable policies and procedures required by the ARP/C iform Guidance. Does the subrecipient have written policies and procedures to		_	-
Request and Unit 11.	st a copy of all applicable policies and procedures required by the ARP/C iform Guidance. Does the subrecipient have written policies and procedures to adequately administer the ARP/CSLFRF subaward?		_	-
Request and Unit 11.	it a copy of all applicable policies and procedures required by the ARP/C iform Guidance. Does the subrecipient have written policies and procedures to adequately administer the ARP/CSLFRF subaward? Does the subrecipient have a written conflict of interest policy for their		_	-
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11. 12. 13. 14.	iform Guidance. Does the subrecipient have written policies and procedures to adequately administer the ARP/CSLFRF subaward? Does the subrecipient have a written conflict of interest policy for their employees? Are there sufficient internal controls in place to protect against waste, fraud and abuse of Federal funds (segregation of duties, etc.)? If program income will be generated by the subrecipient, have provision been made to ensure that it is used in accordance with ARP/CSLFRF and Uniform Guidance requirements?	SLFRF awa	rd terr	ms
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Request a copy of the employee reimbursement policy, and/or have the subrecipient describe the procedure for approving and documenting expenses that are reimbursed.				
15. Are detailed receipts (i.e., receipts that do not merely show a tota the detail of what was purchased) provided for reimbursement?	al, but			
16. Are reimbursements reviewed and approved by a supervisor or promanager prior to being submitted to the Fiscal Officer/Accounting for payment?	·			
17. Does the subrecipient have a Reimbursement Policy?				
Examine two or more reimbursements that were paid out of the grant be	eing monitored.			
18. Were the detailed receipts provided to support the amounts requ	iested?			
19. Were the expenses in compliance with grant requirements/guide and UG?	lines			
20. If reimbursed for training or conference expenses, was a certificate attendance or completion, or agenda and brochure provided to see request for reimbursement?				
General Comments				

Equipmo	ent	□ N/A Yes	No	N/A		
What is the purchasing procedure for equipment purchased with grant funds? Attach copies of						
relevant policies and of any purchasing documentation during the review period.						
How is e	How is equipment inventoried, insured, and managed? Attach copies of relevant policies and current					
inventor	inventory information.					
What is	What is the procedure for transferring equipment purchased with grant funds to another entity?					
Attach c	opies of relevant polic	ies and documentati <mark>on f</mark> or any transfers during review peri	od.			
Request	an inventory list, phy	sical locate selected it <mark>ems</mark> , and examine items to ensure c	ompliar	ıce.		
1.	Were all transactions	conducted in a manner providing full and open				
	competition, and quo	tations obtained from an adequate number of				
	sources?					
2.	Has all equipment ind	licated as purchased actually been purchased?				
3.		nased in accordance with required procurement				
	rules/policies?					
4.	Were additions and d	eletions to the equipment budget made and				
	approved prior to the	purchase/procurement dates?				
5.	Does a detailed exper	nditure list indicate any equipment purchased that is				
	not accounted for in t	the subaward budget?				
6.	Is equipment purchas	ed with subaward funds in prior years still in				
	inventory and still bei	ng used for subaward purposes?				
7.	Has the inventory I	peen updated, and did it account for all items				
	transferred to other e	entities?				
8.	For equipment that w	as transferred, aside from normal office equipment,				
	was the transferee p	properly trained on the equipment, and is there a				
	record of that training	g?				
9.	For equipment transf	ferred to other entities; have they added it to their				
	inventory records and	I is it maintained/used for intended purposes?				
General	Comments					

Financia	al Management	□ N/A	Yes	No	N/A
What is	the Accounting Syste	m for each grant program?	_	•	
1.	Is there a separate ac	counting for all financial transactions for the			
	subaward?				
2.	Is a process in place t	o prevent co-mingling of funds?			
3.	Does the accounting	system prevent obligation or expenditure of funds			
	outside the subaward	l's period of availability?			
4.	Are accounting recor	ds supported by source documentation?			
5.	Were any illegal trans	sfers or unusual activities noted during a review of			
	the subrecipient's fur	nd activity reports?			
6.	Does the system prov	ride for prompt and timely recording and reporting			
	of all financial transac	ctions?			
7.	Is proper Fiscal record	d retention being followed (through Dec. 31, 2031)?			
What is	the process for appro	val and payment of expenditures and posting to the	Genera	ıl Ledg	er?
8.	Are subaward costs in	dentified as eligible prior to encumbering funds and			
	placing an order?				
9.	Were the applicable S	State/Federal suspension and debarment listings			
	consulted prior to do	ing business with a vendor and/or contractor?			
10.	Are all invoices review	wed by the project director for eligibility and marked			
	'okay to pay' prior to	being submitted to the fiscal office or accounting			
	staff for payment?				
11.	Are disbursements fu	lly support by invoices, requisitions, purchase			
	orders, or similar doc	uments?			
12.	Are cancelled checks	or warrants available for review?			
13.	Were all subaward fu	nds that were received disabused within the			
	allowable timeframe	?			
What is	the reconciliation pro	ces <mark>s, a</mark> nd how are errors or adjustments handled?			
14.	Does the subrecipien	t perform routine reconciliations of its records			
	against the General L	edger? By whom and how often?			
15.	Does the subrecipien	t have sufficient internal controls related to			
	reconciliations?				
16.	Were actions taken to	promptly correct any errors and/or resolve issues?			
Genera	Comments				

Other D	Direct Costs	□ N/A Yes	N	No	N/A
How ar	How are rent, utilities, and other items allocated for the program?				
1.	Are rent payments d canceled checks or r	ocumented by a copy of the lease agreement, and eceipts?			
2.	Are receipts, bills, ar	d invoices properly maintained?			
3.		I method being charged to the grant consistent with approved in the budget?			
4.	Are costs shared wit costs allocated?	h other programs or funding sources? If yes, how are			

Genera	Il Comments				
	nel/Direct Labor	□ N/A	Yes	No	N/A
		nd who is paid by the subaward.	1	ı	
1.	•	aintained for each employee that include current			
		ormance and evaluations, and changes in pay rates?			
2.		ity reports, or payroll files available for review?			
	charged.	uld clearly show the effort toward the subaward			
3.		ee time sheets and attendance records:			
Э.		ned by each employee for each pay period?			
		ned by each employee's supervisor?			
	_				
4		payroll master ledger? If positions filled for the approved budget?			
<u>4.</u> 5.		istent with the approved budget?			
6.		e same as what is listed in the approved budget?			
Genera	Il Comments				
Genera	ii comments				
Genera	Comments				
Report	ing Requirements	□ N/A	Yes	No	N/A
Report Subrec	ing Requirements ipients are required to	□ N/A rep <mark>ort</mark> on progress toward implementing plans descr			N/#
Report Subrect applica	ing Requirements ipients are required to ition/proposal.	report on progress toward implementing plans descri			N/#
Report Subrec	ing Requirements ipients are required to tion/proposal. Progress reports must	report on progress toward implementing plans describe submitted based on approved work plan. Have			N/#
Report Subreci applica	ing Requirements ipients are required to ition/proposal. Progress reports must all of the reports beer	report on progress toward implementing plans describe submitted based on approved work plan. Have a submitted for this reporting period?			N/#
Report Subrect applica	ing Requirements ipients are required to tion/proposal. Progress reports must all of the reports beer Are there any outstan	the submitted based on approved work plan. Have a submitted for this reporting period? ding data elements that must be tracked and			N/#
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Travel/Vehicle Mileage	□ N/A	Yes	No	N/A
Request a copy of the subr	ecipient's travel policy or have them describe the p	procedure fo	r appr	oving
and documenting travel ex	rpenses.			
 Is employee travel manager? 	approved in advance by a supervisor or project			
•	tures documented with expenses reports and/or i.e., receipts do not merely show total but detail of ed)?			
-	tures appropriately supported within subaward he approved budget?			
4. Are mileage reimb documentation?	sursements supported by a mileage log or similar		·	
General Comments				

Single Audit Review	□ N/A	Yes	No	N/A	
Obtain a copy of the subrecipient's most recent audit from FAC. Attach it to this review for					
 Was the Major Progr 	rams' Compliance Opinion in the Summary of				
Auditor's Results in t	Auditor's Results in the Schedule of Findings qualified?				
Were there any findi	ings and/or questioned costs for federal awards in				
the Schedule of Find	lings? Were any other operational issues such as the				
handling of assets, la	ack of policies and procedures, contract non-				
complian <mark>ce, et</mark> c., wh	nich would impact Federal dollars received?				
Were past audit find	lings and/or questioned costs for federal awards				
satisfactorily resolve	ed?				
	ie identified which would impact the processing of				
Federal grant dollars	s (i.e., control weaknesses)?				
General Comments (If yes res	spo <mark>nse to questions 1, 2, and/or 4, then comment on the</mark>	e issues	noted	l from	
the audit and how this was ac	ddresse <mark>d during the ons</mark> ite review).				

[ADD OTHER RELEVANT REVIEW FIELDS HERE]

RECOMMENDED CHANGES AND/OR NEW MONITORING INTERVENTIONS

Please document any recommendations for financial, programmatic, or other changes. Indicate if further monitoring interventions are warranted.

APPENDIX 4: Subaward Agreement Template

[NOTE: THIS IS A VERY BASIC SUBAWARD AGREEMENT TEMPLATE FOR ARP/CSLFRF SUBAWARDS. SUBAWARD AGREEMENT TERMS AND CONDITIONS WILL VARY BASED ON SEVERAL FACTORS, INCLUDING THE NATURE OF THE PROJECT AND SUBRECIPIENT RISK ASSESSMENT FINDINGS. PLEASE CAREFULLY REVIEW AND AMEND THIS TEMPLATE TO ADDRESS THE SPECIFIC NATURE OF THE SUBAWARD.]

American Rescue Plan Act of 2021 Coronavirus State and Local Fiscal Recover Funds Subaward Agreement
Between

Town of Carrboro, North Carolina and [NAME OF SUBRECIPIENT]

Article I. Overview.

Section 1.1. Parties. The parties to this agreement are TOWN OF CARRBORO], North Carolina, a body politic and political subdivision of the State of North Carolina ("TOWN") and [FULL LEGAL NAME OF SUBRECIPIENT], a North Carolina [SUBRECIPIENT ENTITY TYPE (EG., NON-PROFIT CORPORTATION, FOR-PROFIT CORPORATION, GOVERNMENT ENTITY, ETC.)] ("Subrecipient").

Section 1.2. Definitions. The definitions in 2 CFR 200.1 are hereby incorporated into this Agreement.

Section 1.3. Roles. For the purposes of this Agreement, the TOWN serves as a pass-through entity.

Section 1.4. Source of Funding. This Agreement is funded by a portion of the [DOLLAR VALUE ALLOCATED TO LOCAL GOVERNMENT] allocated to the TOWN by the Coronavirus State Local Fiscal Recovery Fund created under section 603 of the American Rescue Plan Act of 2021 (ARP/CSLFRF).

Section 1.5. Purpose. The purpose of this Agreement is to establish the terms and conditions for a subaward allocated to the Subrecipient from the TOWN.

Section 1.6. Disclosures. Federal regulations, specifically 2 CFR 200.331(a)(1), require the TOWN to provide the Subrecipient with specific information about this subaward. All required information is listed in Exhibit A (Subaward Data).

Section 1.7. Term. This Agreement shall govern the performance of the parties for the period [START DATE] (the "Effective Date") through [END DATE] ("Expiration Date"), unless earlier terminated by either party in accordance with the terms of this Agreement ("Agreement Term").

Article II. Scope of Funded Activities.

Section 2.1. Scope of Services. Subrecipient shall perform all activities described in the scope of activities, attached hereto as Exhibit B (Approved Activities).

Section 2.2. Budget. Subrecipient shall perform the Approved Activities in accordance with the program budget as approved by the TOWN and attached hereto as Exhibit C (Approved Budget).

Section 2.3. Prior Approval for Changes. Subrecipient may not transfer allocated funds among cost categories within a budgeted program account without the prior written approval of the TOWN; nor shall Subrecipient make any changes, directly or indirectly, to program design, Approved Activities, or Approved Budget without the prior written approval of TOWN.

Article III. Compensation.

Section. 3.1. Payment of Funds. TOWN agrees to reimburse Subrecipient for costs actually incurred and paid by Subrecipient in accordance with the Approved Budget and for the performance of the Approved Activities under this Agreement in an amount not to exceed \$ [] ("Total Agreement Funds"). The amount of Total Agreement Funds, however, is subject to adjustment by the TOWN if a substantial change is made in the Approved Activities that affects this Agreement or if this Agreement is terminated prior to the expiration of the Agreement. Program funds shall not be expended prior to the Effective Date or following the earlier of the Expiration Date or the last day of the Agreement Term. Costs incurred shall only be as necessary and allowable to carry out the purposes and activities of the Approved Activities and may not exceed the maximum limits set in the Approved Budget. Expenses charged against the Total Agreement Funds shall be incurred in accordance with this Agreement. [DRAFTING NOTE: THIS SECTION SHOULD BE RE-DRAFTED TO MATCH THE PROCESS THAT YOUR PARTICULAR LOCAL GOVERNMENT WILL FOLLOW TO MAKE REIMBURSEMENT PAYMENTS TO SUBRECIPIENTS. THE DEFAULT PAYMENT METHOD IS REIMBURSEMENT. IF THE NATURE OF THE SUBAWARD REQUIRES UP FRONT PAYMENTS TO THE SUBRECIPIENT, THIS SECTION WILL NEED TO BE REDRAFTED TO ACCOUNT FOR THOSE PAYMENTS AND THE POTENTIAL FOR CLAWBACK IF AN EXPENSE IS DETERMINED TO BE UNALLOWABLE.]

Section. 3.2. Invoices. On or before the twentieth (20th) day of each month and in any event no later than thirty (30) days after the earlier of the expiration or termination of this Agreement, Subrecipient shall submit invoices and associated receipts, in a format dictated by TOWN, for the most recent month ended, to TOWN'S [NAME DEPARTMENT HERE AND INDICATE HOW SUBRECIPIENT MUST SUBMIT INFO (MAIL, EMAIL, ETC.)], setting forth actual expenditures of Subrecipient in accordance with this Agreement. Within ten (10) working days from the date it receives such invoice, TOWN may disapprove the requested reimbursement claim. If the reimbursement claim is so disapproved, TOWN shall notify Subrecipient as to the disapproval. A decision by TOWN to disapprove a reimbursement claim is final. There is no appeal process for subrecipient. If TOWN approves payment, then TOWN will disburse the funds without further notice. [DRAFTING NOTE: THIS SECTION SHOULD BE RE-DRAFTED TO MATCH THE PROCESS THAT YOUR PARTICULAR LOCAL GOVERNMENT WILL FOLLOW TO MAKE REIMBURSEMENT PAYMENTS TO SUBRECIPIENTS. THE DEFAULT PAYMENT METHOD IS REIMBURSEMENT. IF THE NATURE OF THE SUBAWARD REQUIRES UP FRONT PAYMENTS TO THE SUBRECIPIENT, THIS SECTION WILL NEED TO BE REDRAFTED TO ACCOUNT FOR THOSE PAYMENTS AND THE POTENTIAL FOR CLAWBACK IF AN EXPENSE IS DETERMINED TO BE UNALLOWABLE. LG SHOULD ALSO INDICATE HOW PAYMENTS WILL BE MADE -CHECK, ELECTRIC FUNDS TRANSFER, ETC.]

Section. 3.3. TOWN's Subaward Obligations Contingent on Federal Funding and Subrecipient Compliance. The payment of funds to Subrecipient under the terms of this Agreement shall be contingent on the receipt of such funds by TOWN from the ARP/CSLFRF and shall be subject to Subrecipient's continued eligibility to receive funds under the applicable provisions of state and federal laws. If the amount of funds that TOWN receives from the ARP/CSLFRF is reduced, TOWN may reduce the amount of funds awarded under this Agreement or terminate this Agreement. TOWN also may deny payment for Subrecipient's expenditures for Approved Activities where invoices or other reports are not submitted by the deadlines specified in this Agreement or for failure of Subrecipient to comply with the terms and conditions of this Agreement.

Article IV. Financial Accountability and Grant Administration.

Section. 4.1. Financial Management. Subrecipient shall maintain a financial management system and financial records related to all transactions with funds received pursuant to this Agreement and with any program income earned as a result of funds received pursuant to this Agreement. Subrecipient must administer funds received pursuant to this Agreement in accordance with all applicable federal and state requirements, including the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 CFR Part 200, as required by the ARP/CSLFRF Assistance Listing

(21.027). Subrecipient shall adopt such additional financial management procedures as may from time-to-time be prescribed by TOWN if required by applicable federal or state laws or regulations, or guidelines from US Department of Treasury. Subrecipient shall maintain detailed, itemized documentation and other necessary records of all income received and expenses incurred pursuant to this Agreement.

Section. 4.2. Limitations on Expenditures. TOWN shall only reimburse Subrecipient for documented expenditures incurred during the Agreement Term that are: (i) reasonable and necessary to carry out the scope of Approved Activities described in Exhibit B; (ii) documented by contracts or other evidence of liability consistent with the established TOWN and Subrecipient procedures; and (iii) incurred in accordance with all applicable requirements for the expenditure of funds payable under this Agreement. TOWN may not reimburse or otherwise compensate Subrecipient for any expenditures incurred or services provided prior to the Effective Date or following the earlier of the expiration or termination of this Agreement.

Section. 4.3. Indirect Cost Rate. The indirect cost rate, if any, indicated in Exhibit C (Approved Budget) shall apply to this Agreement. [DRAFTER NOTE: IF THE SUBRECIPIENT HAS A NICRA WITH ANOTHER FEDERAL AGENCY THAT IS HIGHER THAN THE DE MINIMIS INDIRECT RATE OF 10%, YOU MUST USE THE SUBRECIPIENT'S NICRA TO CALCULATE ITS INDIRECT RATE. SEE 2 CFR 200.332(a)(4)(ii)]

Section. 4.4. Financial and Other Reports. Subrecipient shall submit to TOWN such reports and back-up data as may be required by the Federal Government or TOWN, including such reports which enable TOWN to submit its own reports to the US Department of Treasury, in accordance with the following schedule, which may be amended from time to time:

REPORT
[INSERT APPLICABLE REPORT
REQUIREMENTS HERE]

<u>DEADLINE</u>
[INSERT APPLICABLE DEADLINES]

[DRAFTER NOTE: REVIEW TREASURY PROJECT & EXPENDITURE REPORT AND RECOVERY PLAN DEADLINES AS A GUIDELINE FOR DEVELOPING TIMELINE. SEE TREASURY COMPLIANCE AND REPORTING GUIDANCE,]

This provision shall survive the expiration or termination of this Agreement with respect to any reports which the Subrecipient is required to submit to TOWN following the expiration or termination of this Agreement.

Section. 4.5. Improper Payments. Any item of expenditure by Subrecipient under the terms of this Agreement which is found by auditors, investigators, and other authorized representatives of the TOWN, the US Department of Treasury, the NC Department of State Treasurer, or other federal or state instrumentality to be improper, unallowable, in violation of federal or state law, or the terms of this Agreement, or involving any fraudulent, deceptive, or misleading representations or activities of Subrecipient, shall become Subrecipient's liability, and shall be paid solely by Subrecipient, immediately upon notification of such, from funds other than those provided by TOWN under this Agreement or any other agreements between TOWN and Subrecipient. This provision shall survive the expiration or termination of this Agreement.

Section. 4.6. Audits and Access to Records. Subrecipient certifies compliance with applicable provisions of 2 CFR 200.501-200.521, and continued compliance with these provisions during the term of this section. If Subrecipient is not required to have a Single Audit as defined by 200.501, US Department of

Treasury requirements, or the Single Audit Act, then Subrecipient shall have a financial audit performed yearly by an independent Certified Public Accountant. Subrecipient shall provide notice of the completion of any required audits and will provide access to such audits and other financial information related to the Agreement upon request. Subrecipient certifies that it will provide TOWN with notice of any adverse findings which impact this Agreement. This obligation extends for one year beyond the expiration or termination of this Agreement. [DRAFTER NOTE: BASED ON THE RISK ASSESSMENT OF THE SUBRECIPIENT, THE LOCAL GOVERNMENT MAY IMPOSE A MORE LIMITED PROCEDURES ENGAGEMENT REQUIREMENT ON A SUBRECIPIENT THAT IS NOT SUBJECT TO A SINGLE AUDIT. IF SO, THAT REQUIREMENT SHOULD BE SPELLED OUT HERE. THE LOCAL GOVERNMENT WILL ARRANGE FOR THE PROCEDURES ENGAGEMENT WITH THE AUDITOR AND PAY FOR IT. ARP/CSLFRF FUNDS MAY BE USED TO COVER THESE COSTS IF THE PROCEDURES ENGAGEMENT IS LIMITED TO ALLOWABLE COSTS UNDER THE UNIFORM GUIDANCE.]

Section. 4.7. Closeout. Final payment request(s) under this Agreement must be received by TOWN no later than thirty (30) days after the earlier of the Expiration Date or the last day of the Agreement Term. TOWN will not accept a payment request submitted after this date without prior authorization from TOWN. In consideration of the execution of this Agreement by TOWN, Subrecipient agrees that acceptance of final payment from TOWN will constitute an agreement by Subrecipient to release and forever discharge TOWN, its agents, employees, officers, representatives, affiliates, successors and assigns from any and all claims, demands, damages, liabilities, actions, causes of action or suits of any nature whatsoever, which Subrecipient has at the time of acceptance of final payment or may thereafter have, arising out of, in connection with or in any way relating to any and all injuries and damages of any kind as a result of or in any way relating to this Agreement. The Subrecipient's obligations to TOWN under this Agreement shall not terminate until all closeout requirements are completed to the satisfaction of TOWN. Such requirements shall include submitting final reports to TOWN and providing any closeout-related information requested by TOWN by the deadlines specified by TOWN. This provision shall survive the expiration or termination of this Agreement.

Article V. Compliance with Grant Agreement and Applicable Laws.

Section. 5.1. General Compliance. Subrecipient shall perform all Approved Activities funded by this Agreement in accordance with this Agreement, the award agreement between TOWN and the US Department of Treasury, and all applicable federal, state and local requirements, including all applicable statutes, rules, regulations, executive orders, directives or other requirements. Such requirements may be different from Subrecipient's current policies and practices. TOWN may assist Subrecipient in complying with all applicable requirements. However, Subrecipient remains responsible for ensuring its compliance with all applicable requirements.

Section. 5.2. Expenditure Authority. This Agreement is subject to the laws, regulations, and guidance documents authorizing and implementing the ARP/CSLFRF grant, including, but not limited to, the following:

Authorizing Statute. Section 603 of the *Social Security Act* (42 U.S.C. 803), as added by section 9901(a) of the *American Rescue Plan Act of 2021* (Pub. L. No. 117-2).

Implementing Regulations. Subpart A of 31 CFR Part 35 (Coronavirus State and Local Fiscal Recovery Funds), as adopted in the *Coronavirus State and Local Fiscal Recovery Funds* interim final rule (86 FR 26786, applicable May 17, 2021 through March 31, 2022) and final rule (87 FR 4338, applicable January 27, 2022 through the end of the ARP/CSLFRF award term), and other subsequent regulations implementing Section 603 of the Social Security Act (42 U.S.C. 803).

Guidance Documents. Applicable guidance documents issued from time-to-time by the US Department of Treasury, including the currently applicable version of the *Compliance and Reporting Guidance: State and Local Fiscal Recovery Funds.*⁹

This Agreement is also subject to all applicable laws of the State of North Carolina.

Section. 5.3. Federal Grant Administration Requirements. Subrecipient shall comply with the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 2 CFR Part 200 (UG), as adopted by the Department of Treasury at 2 CFR Part 1000 and as set forth in the <u>Assistance Listing for ARP/CSLFRF (21.027)</u>. These requirements dictate how Subrecipient must administer the subaward and how TOWN must oversee Subrecipient.

The applicable UG provisions are as follows:

Subpart A, Acronyms and Definitions

Subpart B, General provisions

Subpart C, Pre-Federal Award Requirements and Contents of Federal Awards (except 2 CFR 200.204, .205, .210, and .213)

Subpart D, Post Federal; Award Requirements (except 2 CFR 200.305(b)(8) & (9), .308, .309, and .320(c)(4))

Subpart E, Cost Principles

Subpart F, Audit Requirements

2 CFR Part 25 (Universal Identifier & System for Award Management)

2 CFR Part 170 (Reporting Subaward and Executive Compensation Information)

<u>2 CFR Part 180</u> (OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Non-procurement)

Subrecipient shall document compliance with UG requirements, including adoption and implementation of all required policies and procedures, within thirty (30) days of the execution of this Agreement and during all subsequent reviews during the term of the Agreement. TOWN may provide sample policies or other assistance to Subrecipient in meeting these compliance requirements. Regardless of TOWN's assistance, it is the Subrecipient's responsibility to properly comply with all UG requirements. Failure to do so may result in termination of the Agreement by TOWN.

https://home.treasury.gov/system/files/136/SLFRF-Compliance-and-Reporting-Guidance.pdf.

Section. 5.4. Procurement Requirements.

- (a) Federal. Consistent with UG compliance requirements, including the standards in 2 CFR 200.318 for the acquisition of property, equipment, supplies, or services required under this Agreement, Subrecipient shall adopt and enact procurement procedures. Subrecipient's documented procurement procedures must conform to the procurement standards identified in Subpart D of 2 CFR Part 200 (Procurement Standards). Such standards include, but are not limited to, the following:
 - All procurement transactions for property or services shall be conducted in a manner providing
 full and open competition, consistent with standards outlined in 2 CFR 200.320(1)-(3) and (5),
 which allows for non-competitive procurements only if either (1) the item is below the micropurchase threshold; (2) the item is only available from a single source; (3) the public exigency or
 emergency will not permit a delay from publicizing a competitive solicitation; or (4) after
 solicitation of a number of sources, competition is determined inadequate.
 - 2. Subrecipient shall maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.
 - 3. Subrecipient shall maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts in conformance with 2 CFR 200.318(c). Subrecipient shall immediately disclose in writing to TOWN any potential conflict of interest affecting the awarded funds in accordance with 2 CFR 200.112.
 - 4. Pursuant to 2 CFR 200.321, Subrecipient shall take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.
 - 5. Subrecipient shall "maintain records sufficient to detail the history of procurement. These records will include but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price." 2 CFR 200.318(i).
- (b) **Local**. In addition to the requirements described in subsection (a), the Subrecipient shall comply with the following: [NOTE: ADJUST THIS SECTION TO FIT YOUR LOCAL GOVERNMENT'S SPECIFIC REQUIREMENTS.]
 - 1. **Reporting**. Subrecipient shall document, in its quarterly report to **TOWN**, the status of all contracts executed in connection with this Agreement.
 - 2. TOWN review of solicitations. Except for micro-purchases made pursuant to 2 CFR 200.320(a)(1) or procurements by small purchase procedures pursuant to 2 CFR 200.320(a)(2), if Subrecipient proposes to enter into any contract for the performance of any of the Approved Activities under this Agreement, then the Subrecipient shall forward to TOWN a copy of any solicitation (whether competitive or non-competitive) at least fifteen (15) days prior to the publication or communication of the solicitation. TOWN will review the solicitation and provide comments, if any, to Subrecipient within three (3) business days. Failure to respond within three (3) business days does not constitute approval by the TOWN. Consistent with 2 CFR 200.324, TOWN will review the solicitation for compliance with applicable procurement standards. TOWN's review and comments shall not constitute a binding approval of the solicitation. Regardless of TOWN's review, Subrecipient remains bound by all applicable laws, regulations, and Agreement terms. If during its review TOWN identifies any deficiencies, then TOWN will communicate those

deficiencies to Subrecipient as quickly as possible within the three (3) business day window outlined above.

- 3. TOWN review of contracts. Except for micro-purchases pursuant to 2 CFR 200.320(a), if Subrecipient proposes to enter into any contracts for the performance of any of the Approved Activities under this Agreement, then Subrecipient shall forward to TOWN a copy of the written contract prior to contract execution. TOWN shall review the unexecuted contract for compliance with applicable requirements and provide comments, if any, to Subrecipient within three (3) business days. Failure to respond within three (3) business days does not constitute approval by the TOWN. Consistent with 2 C.F.R. §200.324, TOWN will review the unexecuted contract for compliance with the procurement standards outlined in 2 C.F.R. §\$200.318 through 200.327 as well as Appendix II to 2 C.F.R. Part 200. TOWN's review and comments shall not constitute an approval of the contract. Regardless of TOWN's review, Subrecipient remains bound by all applicable laws, regulations, and Agreement terms. If during its review TOWN identifies any deficiencies, then TOWN will communicate those deficiencies to Subrecipient as soon as possible within the three (3) business day window outlined above. Subrecipient must correct the noted deficiencies before executing the contract.
- (c) Mandatory Contract Provisions. Subrecipient must include contract provisions required by UG and other state and federal laws and regulations, and as otherwise dictated by TOWN. [DRAFTER NOTE: CONSIDER WHETHER TO PROVIDE LIST OF REQUIRED CONTRACT PROVISIONS IN APPENDIX]

Section 5.5. Subawards. In executing this Agreement, Subrecipient may not enter a subaward without prior written approval from TOWN.

Section 5.6. Property Management. All real property acquired or improved, and equipment or supplies purchased in whole or in part with ARP/CSLFRF funds, must be used, insured, managed, and disposed of in accordance with 2 CFR 200.311 through 2 CFR 200.316. [NOTE: NEED MORE HERE ABOUT PROPERTY MANAGEMENT, APPLICATION OF UG REQUIREMENTS, VESTED OWNERSHIP, AND LOCAL GOVERNMENT APPROVALS]

Section 5.7 Program Income. If Subrecipient earns program income, as defined in 2 CFR 200.1 during the term of the subaward, it must segregate the gross proceeds of the program income and follow the provisions in 2 CFR 200.307. [NOTE: IF THE SUBAWARD ACTIVITY WILL INVOLVE THE GENERATION OF PROGRAM INCOME, YOU'LL NEED TO FLESH THIS SECTION OUT. SEE PROGRAM INCOME POLICY FOR MORE DETAILS]

Section. 5.8. Federal Restrictions on Lobbying. Subrecipient shall comply with the restrictions on lobbying in 31 CFR Part 21. Pursuant to this regulation, Subrecipient may not use any federal funds to pay any person to influence or attempt to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any of the following covered federal actions: the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement. Subrecipient shall certify in writing that Subrecipient has not made, and will not make, any payment prohibited by these requirements using the form provided in Exhibit D (Lobbying Certifications).

Section. 5.9. Universal Identifier and System for Award Management (SAM). Subrecipient shall obtain, and provide to the TOWN, a unique entity identifier assigned by the System for Award Management (SAM), which is accessible at www.sam.gov.

Section. 5.10. Equal Opportunity & Other Requirements. Subrecipient shall adopt and enact a nondiscrimination policy consistent with the requirements in this section.

Civil Rights Laws. Subrecipient shall comply with Title VI of the Civil Rights Act of 1964 (42 U.S.C. §§ 2000d *et seq.*) and Treasury's implementing regulations at 31 C.F.R. Part 22, which prohibit discrimination on the basis of race, color, or national origin under programs or activities receiving federal financial assistance.

Fair Housing Laws. Subrecipient shall comply with the Fair Housing Act, Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§ 3601 *et seq.*), which prohibits discrimination in housing on the basis of race, color, religion, national origin, sex, familial status, or disability.

Disability Protections. Subrecipient shall comply with section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), which prohibits discrimination on the basis of disability under any program or activity receiving federal financial assistance.

Age Discrimination. Subrecipient shall comply with the Age Discrimination Act of 1975 (42 U.S.C. §§ 6101 et seq.), and Treasury's implementing regulations at 31 CFR Part 23, which prohibit discrimination on the basis of age in programs or activities receiving federal financial assistance.

Americans with Disabilities Act. Subrecipient shall comply with Title II of the Americans with Disabilities Act of 1990 (42 U.S.C. §§ 12101 et seq.), which prohibits discrimination on the basis of disability under programs, activities, and services provided or made available by state and local governments or instrumentalities or agencies thereto.

Section. 5.11. Suspension and Debarment. Subrecipient shall comply with the Office of Management and Budget (OMB) Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement) in 2 CFR Part 180, as adopted by the U.S. Department of Treasury at 31 CFR Part 19. Subrecipient represents that neither it, nor any of its principals has been debarred, suspended, or otherwise determined ineligible to participate in federal assistance awards or contracts. Subrecipient further agrees that it will notify TOWN immediately if it or any of its principals is placed on the list of parties excluded from federal procurement or nonprocurement programs available at www.sam.gov.

Section. 5.12. Federal Funding Accountability and Transparency Act of 2006. Subrecipient shall provide TOWN with all information requested by TOWN to enable TOWN to comply with the reporting requirements of the *Federal Funding Accountability and Transparency Act of 2006* (31 U.S.C. 6101 note).

Section. 5.13. Licenses, Certifications, Permits, Accreditation. Subrecipient shall obtain and keep current any license, certification, permit, or accreditation required by federal, state, or local law and shall submit to TOWN proof of any licensure, certification, permit or accreditation upon request.

Section. 5.14. Publications. Any publications produced with funds from this Agreement shall display the following language: "This project [is being] [was] supported, in whole or in part, by federal award number [enter project FAIN] awarded to [LOCAL GOVERNMENT NAME], North Carolina by the U.S. Department of the Treasury."

Section 5.15. Program for Enhancement of Contractor Employee Protections. Subrecipient is hereby notified that they are required to: inform its employees working on any federal award that they are subject to the whistleblower rights and remedies of the program; inform its employees in writing of employee whistleblower protections under 41 U.S.C §4712 in the predominant native language of the workforce; and include such requirements in any agreement made with a subcontractor or subgrantee.

Section 5.16. Prohibition on Certain Telecommunication and Video Surveillance Services or Equipment. Pursuant to 2 CFR 200.216, Subrecipient shall not obligate or expend funds received under this Subaward to: (1) procure or obtain; (2) extend or renew a contract to procure or obtain; or (3) enter into a contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that uses covered telecommunications equipment or services (as described in Public Law 115-232, section 889) as a substantial or essential component of any system, or as a critical technology as part of any system.

Section 5.17. Use of Name. Neither party to this Agreement shall use the other party's name, trademarks, or other logos in any publicity, advertising, or news release without the prior written approval of an authorized representative of that party. The parties agree that each party may use factual information regarding the existence and purpose of the relationship that is the subject of this Agreement for legitimate business purposes, to satisfy any reporting and funding obligations, or as required by applicable law or regulation without written permission from the other party. In any such statement, the relationship of the parties shall be accurately and appropriately described.

Section 5.18. Highest Compensated Officers. The names and total compensation of the five most highly compensated officers of Subrecipient shall be listed if the Subrecipient in the preceding fiscal year received 80 percent or more of its annual gross revenues in Federal awards; and \$25,000,000 or more in annual gross revenues from Federal awards; and the public does not have access to this information about the compensation of the senior executives of the entity through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. §§ 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. See FFATA § 2(b)(1) Code of 1986. If this requirement applies to Subrecipient, Subrecipient will submit the list of its five most highly compensated officers to TOWN within thirty (30) days of the execution of this Agreement and yearly thereafter during the Agreement term.

Section 5.19. Statement of Assurances. Subrecipient certifies compliance with SF 424B (Statement of Assurances – Non-Construction) and SF424D (Statement of Assurances – Construction). [NOTE: NEED TO CONFIRM WHETHER THIS SECTION IS REQUIRED.]

Section 5.20. Drug-free Workplace Requirements. [NOTE: NEED TO DETERMINE WHAT US TREASURY'S POLICY IS IMPLEMENTING 2 CFR 182]

Section 5.21. Stevens Amendments Requirements. Subrecipient shall identify that federal assistance funds were used to fund Approved Activities under this Agreement in any publicity and /or signage relating to the funded project or program.

[NOTE: ADD ANY ADDITIONAL SECTIONS REQUIRED BY STATE LAW OR GENERAL CONTRACT PRINCIPLES**]

Article VI. Cooperation in Monitoring and Evaluation.

Section. 6.1. TOWN Responsibilities. TOWN shall monitor, evaluate, and provide guidance and direction to Subrecipient in the conduct of Approved Activities performed under this Agreement. **TOWN** must determine whether Subrecipient has spent funds in accordance with applicable laws, regulations, including the federal audit requirements and agreements and shall monitor the activities of Subrecipient to ensure that Subrecipient has met such requirements. **TOWN** may require Subrecipient to take corrective action if deficiencies are found.

The type and degree of monitoring activities depends on the results of the Subrecipient Risk Assessment, as detailed in TOWN's Subaward and Monitoring Policy for the expenditure of ARP/CSLFRF funds, see Exhibit E (Subaward Policy). The following specific monitoring activities apply to this Agreement:

[NOTE: LIST APPROPRIATE MINIMUM MONITORING ACTIVITIES HERE – REFERENCE LISTS IN SUBAWARD POLICY. IF MEDIUM OR HIGH-RISK MONITORING APPLIES, ADD THE FOLLOWING DETAILED INFORMATION:

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.]

Section. 6.2. Subrecipient Responsibilities.

- (a) Cooperation with TOWN Oversight. Subrecipient shall permit TOWN to carry out monitoring and evaluation activities, including any performance measurement system required by applicable law, regulation, funding sources guidelines or by the terms and conditions of the applicable grant award, and Subrecipient agrees to ensure, to the greatest extent possible, the cooperation of its agents, employees and board members in such monitoring and evaluation efforts. This provision shall survive the expiration or termination of this Agreement.
- (b) Cooperation with Audits. Subrecipient shall cooperate fully with any reviews or audits of the activities under this Agreement by authorized representatives of TOWN, the North Carolina State Auditor, the US Department of Treasury, and the US Government Accountability Office. Subrecipient agrees to ensure to the extent possible the cooperation of its agents, employees, and board members in any such reviews and audits. This provision shall survive the expiration or termination of this Agreement.

Section 6.3. Interventions. If TOWN determines that Subrecipient is not in compliance with this Agreement, TOWN may initiate an intervention, in accordance with 2 CFR 200.208 and 2 CFR 200.339. The degree of Subrecipient's performance or compliance deficiency will determine the degree of intervention. All possible interventions are listed below and will depend on the degree of deficiency in Subrecipient's performance or compliance deficiency.

If TOWN determines that an intervention is warranted, it shall provide written notice to Subrecipient of the intervention within thirty (30) 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 TOWN otherwise learns of a compliance or performance deficiency related to the execution of this Agreement. The written notice shall notify 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.

TOWN may impose the following interventions on Subrecipient, based on the level of the compliance or performance deficiency that TOWN determines:

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 TOWN
- (4) Required Subrecipient technical assistance or training

Level 2 Interventions. These interventions may be required 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 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

Interventions will remain in place until the underlying performance or compliance deficiency is addressed to the sole satisfaction of [COUNTY/CITY/TOWN/VILLAGE.]

Section 6.4. Records Retention and Access. Subrecipient shall maintain all records, books, papers and other documents related to its performance of Approved Activities under this Agreement (including without limitation personnel, property, financial and medical records) through at least December 31, 2031, or such longer period as is necessary for the resolution of any litigation, claim, negotiation, audit or other inquiry involving this Agreement. Subrecipient shall make all records, books, papers and other documents that relate to this Agreement available at all reasonable times for inspection, review and audit by the authorized representatives of TOWN, the North Carolina State Auditor, the US Department of Treasury, the US Government Accountability Office, and any other authorized state or federal oversight office.

Section 6.5. Key Personnel. Subrecipient shall identify all personnel who will be involved in performing Approved Activities and otherwise administering the Agreement, including at least one project manager and one fiscal officer (Key Personnel). Subrecipient shall notify TOWN of any changes to these personnel within thirty (30) days of the change. Key personnel names, titles, and contact information are listed in Exhibit F (Key Personnel).

Article VII. Default and Termination.

Section. 7.1. Termination for Cause. TOWN may terminate this Agreement for cause after three days written notice. Cause may include misuse of funds, fraud, lack of compliance with applicable rules, laws and regulations, failure to perform on time, or failure to comply with any of the requirements of this Agreement.

Sec. 7.2. Termination Without Cause. TOWN may terminate this Agreement for any reason, in its sole discretion, by providing Subrecipient with thirty (30) days prior written notice.

Sec. 7.3. Termination by Mutual Agreement. TOWN and Subrecipient may agree to terminate this Agreement for their mutual convenience through a written amendment to this Agreement. The amendment will state the effective date of the termination and the procedures for proper closeout of the Agreement.

Sec. 7.4. Termination Procedures. If this Agreement is terminated, Subrecipient may not incur new obligations for the terminated portion of the Agreement after Subrecipient has received the notification of termination. Subrecipient must cancel as many outstanding obligations as possible. Costs incurred after receipt of the termination notice will be disallowed. Subrecipient shall not be relieved of liability to TOWN because of any breach of Agreement by Subrecipient. TOWN may, to the extent authorized by law, withhold payments to Subrecipient for the purpose of set-off until the exact amount of damages due TOWN from Subrecipient is determined.

Article VIII. General Conditions.

Section. 8.1. Indemnification. To the extent permitted by law, Subrecipient agrees to indemnify and hold harmless TOWN, and any of its officers, agents and employees, and the Federal Government from any claims of third parties arising out of any act or omission of Subrecipient in connection with the performance of this Agreement.

Section. 8.2. Insurance. Subrecipient must maintain insurance policies with minimum limits as follows: [NOTE: INDICATE YOUR LOCAL GOVERNMENT'S INSURANCE REQUIREMENTS BELOW.]

Coverage

Minimum Limits

TOWN may require higher limits if warranted by the nature of this Agreement and the type of activities to be provided. The insurer must provide TOWN with a Certificate of Insurance reflecting the coverages required in this Section. All Certificates of Insurance shall reflect thirty (30) days written notice by the insurer in the event of cancellation, reduction, or other modification of coverage. In addition to this notice requirement, Subrecipient must provide TOWN prompt written notice of cancellation, reduction, or material modification of coverage of insurance. If Subrecipient fails to provide such notice, the Subrecipient assumes sole responsibility for all losses incurred by TOWN for which insurance would have provided coverage. The insurance policies must remain in effect during the term of this Agreement.

Subrecipient shall name TOWN as an additional insured except as to workers compensation insurance and it is required that coverage be placed with an "A" rated insurance company acceptable to TOWN. If Subrecipient fails at any time to maintain and keep in force the required insurance, TOWN may cancel and terminate the Agreement without notice.

Section. 8.3. Venue and Jurisdiction. TOWN and Subrecipient agree that they executed and performed this Agreement in ORANGE COUNTY, North Carolina. This Agreement will be governed by and construed in accordance with the laws of North Carolina. The exclusive forum and venue for all actions arising out of this Agreement is the appropriate division of the North Carolina General Court of Justice in ORANGE COUNTY, NORTH CAROLINA. Such actions may not be commenced in, nor removed to, federal court unless required by law.

Section. 8.4. Nonwaiver. No action or failure to act by TOWN constitutes a waiver of any of its rights or remedies that arise out of this Agreement, nor shall such action or failure to act constitute approval of or acquiescence in a breach of this Agreement, except as specifically agreed in writing.

Section. 8.5. Limitation of TOWN Authority. Nothing contained in this Agreement may be deemed or construed to in any way stop, limit, or impair TOWN from exercising or performing any regulatory, policing, legislative, governmental, or other powers or functions.

Section. 8.6. Severability. If any provision of this Agreement is determined to be unenforceable in a judicial proceeding, the remainder of this Agreement will remain in full force and effect to the extent permitted by law.

Section. 8.7. Assignment. Subrecipient may not assign or delegate any of its rights or duties that arise out of this Agreement without TOWN's prior written consent. Unless TOWN otherwise agrees in writing, Subrecipient and all assigns are subject to all TOWN's defenses and are liable for all Subrecipient's duties that arise from this Agreement and all TOWN's claims that arise from this Agreement.

Section. 8.8. Integration. This Agreement contains the entire agreement between the parties pertaining to the subject matter of this Agreement. With respect to that subject matter, there are no promises, agreements, conditions, inducements, warranties, or understandings, written or oral, expressed, or implied, between the parties, other than as set forth or referenced in this Agreement.

Section. 8.9. Notices. All notices and other communications required or permitted by this Agreement must be in writing and must be given either by personal delivery, approved carrier, email, or mail, addressed as follows:

- (a) If to the TOWN:
 [ADDRESS HERE]
 [EMAIL HERE]
- (b) If to the Subrecipient: [ADDRESS HERE] [EMAIL HERE]

IN WITNESS WHEREOF, the parties have caused this Agreement to the signed by their duly constituted legal representatives and is effective as of the Effective Date.

[NOTE: INCLUDE SIGNATURE LINES AND ATTESTATIONS HERE]

Exhibit A: Subaward Data

Subrecipient Name	[Insert Subrecipient name, which must match
	the name associated with its unique entity
	identifier]
Subrecipient Unique Entity Identifier:	[Insert Subrecipient Unique Entity Identifier]
Federal Award Identification Number (FAIN):	[Insert Federal Award Identification #]
Federal Award Date of Award to the Recipient by the Federal	[Insert date]
Agency:	
Subaward Period of Performance Start Date:	[Insert date]
Subaward Period of Performance End Date:	[Insert date]
Amount of Federal Funds Obligated by this Action by the	[Insert Total Agreement Funds]
Pass-Through Entity to the Subrecipient:	
Total Amount of Federal Funds Obligated to the Subrecipient	[If additional federal awards have been
by the Pass-Through Entity Including the Current Obligation:	awarded to the Subrecipient, insert total
	amount, including the Total Agreement Funds
	specified above]
Total Amount of the Federal Award Committed to the	[Insert amount]
Subrecipient by the Pass-Through Entity:	
Federal Award Project Description:	[Insert description]
Name of Federal Awarding Agency:	Department of Treasury
Name of Pass-Through Entity:	[LOCAL GOVERNMENT NAME], North Carolina
Contact Information for [LOCAL GOVERNMENT NAME]	[Insert contact information]
Authorizing Official:	
Contact Information for City Project Manager:	[Insert contact information]
CFDA Number and Name:	21.027- Coronavirus State and Local Fiscal
	Recovery Funds
Identification of Whether Subaward is R&D:	Not R&D
Subrecipient Indirect Costs:	See <u>Exhibit C</u> – Approved Budget

Exhibit B: Approved Activities

[NOTE: DESCRIBE IN DETAIL WHAT THE SUBRECIPIENT WILL DO WITH THE MONEY]

Exhibit C: Approved Budget

Consult the TOWN's Allowable Costs and Cost Principles Policy and the ARP/CSLFRF Final Rule for specific directives and limitations on cost items.

	<u>REVENUES</u>			Total Revenue
[LOCAL GOVERNMENT NAME] Coronavirus State and			۲	
	Local Fiscal Recovery Funds Awarded		\$	
	Budget Cost Categories	OMB Uniform Guidance Federal Awards Reference 2 CFR 200		Total Expenditures
1.	Personnel (Salary and Wages)		\$	
2.	Fringe Benefits		\$	
3.	Travel		\$	
4.	Equipment		\$	
5.	Supplies		\$	
6.	Contractual Services and Subawards		\$	
7.	Consultant (Professional Service)		\$	
8.	Construction		\$	
9.	Occupancy (Rent and Utilities)		\$	
10.	Research and Development (R&D)		\$	
11.	Telecommunications		\$	
12.	Training and Education		\$	
13.	Direct Administrative Costs		\$	
14.	Miscellaneous Costs		\$	
a.	Advertising and public relations costs			
b.	Materials and supplies costs, including			
	costs of computing devices			
15.	Add additional cost items as needed			
16.	Total Direct Costs (add lines 1-15)		\$	
17.	Total Indirect Costs			
	Rate %: Base*:		\$	
18.	Total Costs Federal Grant Funds (Lines 16 and 17) MUST EQUAL REVENUE TOTALS ABOVE		\$	

^{*} The Base is modified direct total costs (MTDC) of the subaward project. Pursuant to 2 CFR 200.68, MTDC means all direct salaries and wages, applicable fringe benefits, materials and <u>supplies</u>, services, travel, and up to the first \$25,000 of each <u>subaward</u> (regardless of the <u>period of performance</u> of the <u>subawards</u> under the award). <u>MTDC</u> excludes <u>equipment</u>, <u>capital expenditures</u>, charges for patient care, rental costs, tuition remission, scholarships and fellowships, <u>participant support costs</u> and the portion of each <u>subaward</u> in excess of \$25,000. Other items may only be excluded when necessary to avoid a serious inequity in the distribution of indirect costs, and with the approval of the <u>cognizant agency for indirect costs</u>.

Exhibit D: Lobbying Certification

The undersigned certifies, to the best of his or her knowledge and belief, that:

- 1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- 2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- 3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Signature of Subrecipient's Authorized Official
Name and Title of Subrecipient's Authorized Official
Date
Exhibit E: Subaward Policy

[NOTE: APPEND THE TOWN'S SUBAWARD POLICY HERE.]

Exhibit F: Key Personnel

[NOTE: CREATE A CONTACT INFORMATION FORM HERE]

TOWN INFORMATION					
Administrative Address:					
Invoice Address:					
Project Manager Name:					
Project Manager Title:					
Project Manager Email:					
Project Manager Phone:					
Fiscal Officer Name:	Arche L. McAdoo				
Fiscal Officer Title:	Chief Financial Officer				
Fiscal Officer Email:	amcadoo@carrboronc.gov				
Fiscal Officer Telephone:	919.918-7439				
SUBRECIPIENT INFORMATION					
Administrative Address:					
Invoice Address:					
Project Manager Name:					
Project Manager Title:					
Project Manager Email:					
Project Manager					
Telephone:					
Fiscal Officer Name:					
Fiscal Officer Title:					
Fiscal Officer Email:					
Fiscal Officer Telephone:					

CONFLICT OF INTEREST POLICY APPLICABLE TO CONTRACTS AND SUBAWARDS SUPPORTED BY FEDERAL FINANCIAL ASSISTANCE

I. Scope of Policy

- a. <u>Purpose of Policy</u>. This Conflict of Interest Policy ("*Policy*") establishes conflict of interest standards that (1) apply when Town of Carrboro ("*Town*") enters into a Contract (as defined in <u>Section II</u> hereof) or makes a Subaward (as defined in Section II hereof), and (2) meet or exceed the requirements of North Carolina law and 2 C.F.R. § 200.318(c).
- b. Application of Policy. This Policy shall apply when the Town (1) enters into a Contract to be funded, in part or in whole, by Federal Financial Assistance to which 2 C.F.R. § 200.318(c) applies, or (2) makes any Subaward to be funded by Federal Financial Assistance to which 2 C.F.R. § 200.318(c) applies. If a federal statute, regulation, or the terms of a financial assistance agreement applicable to a particular form of Federal Financial Assistance conflicts with any provision of this Policy, such federal statute, regulation, or terms of the financial assistance agreement shall govern.

II. **Definitions**

Capitalized terms used in this Policy shall have the meanings ascribed thereto in this <u>Section II</u>: Any capitalized term used in this Policy but not defined in this <u>Section II</u> shall have the meaning set forth in 2 C.F.R. § 200.1.

- a. "COI Point of Contact" means the individual identified in Section III(a) of this Policy.
- b. "Contract" means, for the purpose of Federal Financial Assistance, a legal instrument by which the Town purchases property or services needed to carry out a program or project under a Federal award.
- c. "Contractor" means an entity or individual that receives a Contract.
- d. "Covered Individual" means a Public Officer, employee, or agent of the Town.

- e. "Covered Nonprofit Organization" means a nonprofit corporation, organization, or association, incorporated or otherwise, that is organized or operating in the State of North Carolina primarily for religious, charitable, scientific, literary, public health and safety, or educational purposes, excluding any board, entity, or other organization created by the State of North Carolina or any political subdivision of the State (including the Town).
- f. "Direct Benefit" means, with respect to a Public Officer or employee of the Town, or the spouse of any such Public Officer or employee, (i) having a ten percent (10%) ownership interest or other interest in a Contract or Subaward; (ii) deriving any income or commission directly from a Contract or Subaward; or (iii) acquiring property under a Contract or Subaward.
- g. "Federal Financial Assistance" means Federal financial assistance that the Town receives or administers in the form of grants, cooperative agreements, non-cash contributions or donations of property (including donated surplus property), direct appropriations, food commodities, and other Federal financial assistance (except that the term does not include loans, loan guarantees, interest subsidies, or insurance).
- h. "Governing Board" means the Town Council of the Town.
- i. "Immediate Family Member" means, with respect to any Covered Individual, (i) a spouse, and parents thereof, (ii) a child, and parent thereof, (iii) a parent, and spouse thereof, (iv) a sibling, and spouse thereof, (v) a grandparent and grandchild, and spouses thereof, (vi) domestic partners and parents thereof, including domestic partners of any individual in (ii) through (v) of this definition; and (vii) any individual related by blood or affinity whose close association with the Covered Individual is the equivalent of a family relationship.
- j. "Involved in Making or Administering" means (i) with respect to a Public Official or employee, (a) overseeing the performance of a Contract or Subaward or having authority to make decisions regarding a Contract or Subaward or to interpret a Contract or Subaward, or (b) participating in the development of specifications or terms or in the preparation or award of a Contract or Subaward, (ii) only with respect to a Public Official, being a member of a board, commission, or other body of which the Public Official is a member, taking

- action on the Contract or Subaward, whether or not the Public Official actually participates in that action.
- k. "Pass-Through Entity" means a non-Federal entity that provides a Subaward to a Subrecipient to carry out part of a Federal program.
- 1. "Public Officer" means an individual who is elected or appointed to serve or represent the Town (including, without limitation, any member of the Governing Board), other than an employee or independent contractor of the Town.
- m. "Recipient" means an entity, usually but not limited to a non-Federal entity, that receives a Federal award directly from a Federal awarding agency. The term does not include Subrecipients or individuals that are beneficiaries of the award.
- n. "Related Party" means (i) an Immediate Family Member of a Covered Individual, (ii) a partner of a Covered Individual, or (iii) a current or potential employer (other than the Town) of a Covered Individual, of a partner of a Covered Individual, or of an Immediate Family Member of a Covered Individual.
- o. "Subaward" means an award provided by a Pass-Through Entity 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 a contractor or payments to an individual that is a beneficiary of a Federal program.
- p. "Subcontract" means mean any agreement entered into by a Subcontractor to furnish supplies or services for the performance of a Contract or a Subcontract. It includes, but is not limited to, purchase orders, and changes and modifications to purchase orders.
- q. "Subcontractor" means an entity that receives a Subcontract.
- r. "Subrecipient" means an entity, usually but not limited to a non-Federal entity, 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.

s. "Town" has the meaning specified in <u>Section I</u> hereof.

III. COI Point of Contact.

- a. Appointment of COI Point of Contact. The Town Manager in consultation with the Town Attorney of the Town, shall have primary responsibility for managing the disclosure and resolution of potential or actual conflicts of interest arising under this Policy. In the event that the Town Manager, is unable to serve in such capacity, the Chief Financial Officer in consultation with the Town Attorney, shall assume responsibility for managing the disclosure and resolution of conflicts of interest arising under this Policy. The individual with responsibility for managing the disclosure and resolution of potential or actual conflicts of interest under this Section III(a) shall be known as the "COI Point of Contact".
- b. <u>Distribution of Policy</u>. The COI Point of Contact shall ensure that each Covered Individual receives a copy of this Policy.

IV. Conflict of Interest Standards in Contracts and Subawards

- a. North Carolina Law. North Carolina law restricts the behavior of Public Officials and employees of the Town involved in contracting on behalf of the Town. The Town shall conduct the selection, award, and administration of Contracts and Subawards in accordance with the prohibitions imposed by the North Carolina General Statutes and restated in this Section IV.
 - i. <u>G.S. § 14-234(a)(1)</u>. A Public Officer or employee of the Town Involved in Making or Administering a Contract or Subaward on behalf of the Town shall not derive a Direct Benefit from such a Contract or Subaward.
 - ii. G.S. § 14-234(a)(3). No Public Officer or employee of the Town may solicit or receive any gift, favor, reward, service, or promise of reward, including but not limited to a promise of future employment, in exchange for recommending, influencing, or attempting to influence the award of a Contract or Subaward by the Town.
 - iii. <u>G.S. § 14-234.3</u>. If a member of the Governing Board of the Town serves as a director, officer, or governing board member of a Covered

Nonprofit Organization, such member shall not (1) deliberate or vote on a Contract or Subaward between the Town and the Covered Nonprofit Corporation, (2) attempt to influence any other person who deliberates or votes on a Contract or Subaward between the Town and the Covered Nonprofit Corporation, or (3) solicit or receive any gift, favor, reward, service, or promise of future employment, in exchange for recommending or attempting to influence the award of a Contract or Subaward to the Covered Nonprofit Organization.

iv. <u>G.S. § 14-234.1</u>. A Public Officer or employee of the Town shall not, in contemplation of official action by the Public Officer or employee, or in reliance on information which was made known to the public official or employee and which has not been made public, (1) acquire a pecuniary interest in any property, transaction, or enterprise or gain any pecuniary benefit which may be affected by such information or other information, or (2) intentionally aid another in violating the provisions of this section.

b. Federal Standards.

- i. Prohibited Conflicts of Interest in Contracting. Without limiting any specific prohibition set forth in Section IV(a), a Covered Individual may not participate in the selection, award, or administration of a Contract or Subaward if such Covered Individual has a real or apparent conflict of interest.
 - 1. Real Conflict of Interest. A real conflict of interest shall exist when the Covered Individual or any Related Party has a financial or other interest in or a tangible personal benefit from a firm considered for a Contract or Subaward. Exhibit A attached hereto provides a non-exhaustive list of examples of (i) financial or other interests in a firm considered for a Contract or Subaward, and (ii) tangible personal benefits from a firm considered for a Contract or Subaward.
 - 2. <u>Apparent Conflict of Interest</u>. An apparent conflict of interest shall exist where a real conflict of interest may not exist under <u>Section IV(b)(i)(1)</u>, but where a reasonable person with knowledge of the relevant facts would find that an existing

situation or relationship creates the appearance that a Covered Individual or any Related Party has a financial or other interest in or a tangible personal benefit from a firm considered for a Contract or Subaward.

ii. <u>Identification and Management of Conflicts of Interest</u>.

1. <u>Duty to Disclose and Disclosure Forms</u>

- a. Each Covered Individual expected to be or involved in the selection, award, or administration of a Contract or Subaward has an ongoing duty to disclose to the COI Point of Contact potential real or apparent conflicts of interest arising under this Policy.
- b. Prior to the Town's award of a Contract or Subaward, the COI Point of Contact shall advise Covered Individuals expected to be involved in the selection, award, or administration of the Contract or Subaward of such duty.
- c. If the value of a proposed Contract or Subaward exceeds \$250,000, the COI Point of Contact shall collect a Conflict of Interest Disclosure Form contained in Exhibit C (for Contracts) and Exhibit E (for Subawards) from each Covered Individual and file such Conflict of Interest Disclosure Form in records of the Town.

2. Identification Prior to Award of Contract or Subaward.

a. Prior to the Town's award of a Contract or Subaward, the COI Point of Contact shall complete the appropriate Compliance Checklist contained in <u>Exhibit B</u> (for Contracts) and <u>Exhibit D</u> (for Subawards) attached hereto and file such Compliance Checklist in the records of the Town.

3. Management Prior to Award of Contract or Subaward

- a. If, after completing the Compliance Checklist, the COI Point of Contact identifies a potential real or apparent conflict of interest relating to a proposed Contract or Subaward, the COI Point of Contact shall disclose such finding in writing to the Town Manager and to each member of the Governing Board. If the Governing Board desires to enter into the proposed Contract or Subaward despite the identification by the COI Point of Contact of a potential real or apparent conflict of interest, it may either:
 - i. accept the finding of the COI Point of Contact and direct the COI Point of Contact to obtain authorization to enter into the Contract or Subaward from (a) if Town is a Recipient of Federal Financial Assistance, the Federal awarding agency with appropriate mitigation measures, or (b) if Town is a Subrecipient of Federal Financial Assistance, from the Pass-Through Entity that provided a Subaward to Town; or
 - ii. reject the finding of the COI Point of Contact and enter into the Contract or Subaward. In rejecting any finding of the COI Point of Contact, the Governing Board shall in writing document a justification supporting such rejection.
- b. If the COI Point of Contact does not identify a potential real or apparent conflict of interest relating to a proposed Contract or Subaward, the Town may enter into the Contract or Subaward in accordance with the Town's purchasing or subaward policy.

4. Identification After Award of Contract or Subaward.

a. If the COI Point of Contact discovers that a real or apparent conflict of interest has arisen after the Town has entered into a Contract or Subaward, the COI Point of Contact shall, as soon as possible, disclose such finding to the Town Manager and to each member of the Governing Board. Upon discovery of such a real or apparent conflict of interest, the Town shall cease all payments under the relevant Contract or Subaward until the conflict of interest has been resolved.

5. Management After Award of Contract or Subaward.

- a. Following the receipt of such disclosure of a potential real or apparent conflict of interest pursuant to Section IV(b)(ii)(4), the Governing Board may reject the finding of the COI Point of Contact by documenting in writing a justification supporting such rejection. If the Governing Board fails to reject the finding of the COI Point of Contact within 15 days of receipt, the COI Point of Contact shall:
 - i. if Town is a Recipient of Federal Financial Assistance funding the Contract or Subaward, disclose the conflict to the Federal awarding agency providing such Federal Financial Assistance in accordance with 2 C.F.R. § 200.112 and/or applicable regulations of the agency, or
 - ii. if Town is a Subrecipient of Federal Financial Assistance, disclose the conflict to the Pass-Through Entity providing a Subaward to Town in accordance with 2 C.F.R. § 200.112 and applicable regulations of the Federal awarding agency and the Pass-Through Entity.

V. Oversight of Subrecipient's Conflict of Interest Standards

- a. Subrecipients of Town Must Adopt Conflict of Interest Policy. Prior to the Town's execution of any Subaward for which the Town serves as a Pass-Through Entity, the COI Point of Contact shall ensure that the proposed Subrecipient of Federal Financial Assistance has adopted a conflict of interest policy that satisfies the requirements of 2 C.F.R. § 200.318(c)(1), 2 C.F.R. § 200.318(c)(2), and all other applicable federal regulations.
- b. Obligation to Disclose Subrecipient Conflicts of Interest. The COI Point of Contact shall ensure that the legal agreement under which the Town makes a Subaward to a Subrecipient shall require such Subrecipient to disclose to the COI Point of Contact any potential real or apparent conflicts of interest that the Subrecipient identifies. Upon receipt of such disclosure, the COI Point of Contact shall disclose such information to the Federal awarding agency that funded the Subaward in accordance with that agency's disclosure policy.

VI. Gift Standards

- a. <u>Federal Standard</u>. Subject to the exceptions set forth in <u>Section VI(b)</u>, a Covered Individual may not solicit or accept gratuities, favors, or anything of monetary value from a Contractor or a Subcontractor.
- b. Exception. Notwithstanding Section VI(a), a Covered Individual may accept an unsolicited gift from a Contractor or Subcontractor of one or more types specified below if the gift has an aggregate market value of \$20 or less per source per occasion, provided that the aggregate market value of all gifts received by the Covered Individual pursuant to this Section VI(b) does not exceed \$50 in a calendar year:
 - i. honorariums for participating in meetings;
 - ii. advertising items or souvenirs of nominal value; or
 - iii. meals furnished at banquets.
- c. <u>Internal Reporting</u>. A Covered Individual shall report any gift accepted under <u>Section VI(b)</u> to the COI Point of Contact. If required by regulation of a Federal awarding agency, the COI Point of Contact shall report such gifts to the Federal awarding agency or a Pass-Through Entity for which the Town is a Subrecipient.

VII. Violations of Policy

- a. <u>Disciplinary Actions for Covered Individuals</u>. Any Covered Individual that fails to disclose a real, apparent, or potential real or apparent conflict of interest arising with respect to the Covered Individual or Related Party may be subject to disciplinary action, including, but not limited to, an employee's termination or suspension of employment with or without pay, the consideration or adoption of a resolution of censure of a Public Official by the Governing Board, or termination of an agent's contract with the Town.
- b. <u>Disciplinary Actions for Contractors and Subcontractors</u>. The Town shall terminate any Contract with a Contractor or Subcontractor that violates any provision of this Policy.
- c. Protections for Whistleblowers. In accordance with 41 U.S.C. § 4712, the Town shall not discharge, demote, or otherwise discriminate against an employee in reprisal for disclosing to any of the list of persons or entities provided below, information that the employee reasonably believes is evidence of gross mismanagement of a federal contract or grant, a gross waste of federal funds, an abuse of authority relating to a federal contract or grant, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a federal contract (including the competition for or negotiation of a contract) or grant: (i) a member of Congress or a representative of a committee of Congress; (ii) an Inspector General; (iii) the Government Accountability Office; (iv) a Treasury or other federal agency employee responsible for grant oversight or management; (v) an authorized official of the Department of Justice or other law enforcement agency; (vi) a court or grand jury; of (vii) a management official or other employee of the Town, a Contractor, or Subcontractor who has the responsibility to investigate, discover, or address misconduct.

Adopted this the [] day	ot	l,		ı
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EXHIBIT A

Examples

Potential Examples of a "Financial or	Potential Examples of a "Tangible	
Other Interest" in a Firm or Organization	Personal Benefit" From a Firm or	
Considered for a Contract or Subaward	Organization Considered for a Contract or	
	Subaward	
Direct or indirect equity interest in a firm or	Opportunity to be employed by the firm	
organization considered for a Contract or	considered for a contract, an affiliate of that	
Subaward, which may include:	firm, or any other firm with a relationship	
	with the firm considered for a Contract.	
- Stock in a corporation.		
 Membership interest in a limited liability company. 		
- Partnership interest in a general or	A position as a director or officer of the firm	
limited partnership.	or organization, even if uncompensated.	
- Any right to control the firm or	or organization, even if uncompensated.	
organization's affairs. For example,		
a controlling equity interest in an		
entity that controls or has the right to		
control a firm considered for a contract.		
Option to purchase any equity interest		
in a firm or organization.		
Holder of any debt owed by a firm considered	A referral of business from a firm considered	
for a Contract or Subaward, which may	for a Contract or Subaward.	
include:		
- Secured debt (e.g., debt backed by an		
asset of the firm (like a firm's building or equipment))		
- Unsecured debt (e.g., a promissory		
note evidencing a promise to repay a		
loan).		
o Holder of a judgment against		
the firm.		
Supplier or contractor to a firm or	Political or social influence (e.g., a promise	
organization considered for a Contract or	of appointment to an local office or position	
Subaward.	on a public board or private board).	

EXHIBIT B

COMPLIANCE CHECKLIST FOR OVERSIGHT OF CONTRACT CONFLICTS OF INTEREST

The Town of Carrboro ("*Town*") has adopted a Conflict of Interest Policy ("*Policy*") that governs the Town's expenditure of Federal Financial Assistance (as defined in <u>Section II</u> of the Policy). The Policy designates as the "COI Point of Contact." The Policy requires the <u>COI Point of Contact to complete this Compliance Checklist</u> to identify potential real or apparent conflicts of interest in connection with proposed Contracts (as defined in <u>Section II</u>) and file the Checklist in the records of the Town.

Instructions for Completion

- 1. The COI Point of Contact shall complete Steps 1 through 5 of the Checklist below.
- 2. If the value of the proposed Contract exceeds \$250,000, the COI Point of Contact shall collect a Conflict of Interest Disclosure Form from each Covered Individual.
- 3. If the COI Point of Contact identifies a potential real or apparent conflict of interest after completing this Compliance Checklist, the COI Point of Contact shall report such potential conflict of interest to the Town Manager and to each member of the Governing Board.

Definitions.

- 1. *Covered Individual*. Each person identified in Section 1 of this Checklist is a "Covered Individual" for purposes of this Compliance Checklist and the Policy.
- 2. *Immediate Family Member* means, with respect to any Covered Individual, (i) a spouse, and parents thereof, (ii) a child, and parent thereof, (iii) a parent, and spouse thereof, (iv) a sibling, and spouse thereof, (v) a grandparent and grandchild, and spouses thereof, (vi) domestic partners and parents thereof, including domestic partners of any individual in (ii) through (v) of this definition; and (vii) any individual related by blood or affinity whose close association with the Covered Individual is the equivalent of a family relationship.
- 3. Related Party means (i) an Immediate Family Member of a Covered Individual, (ii) a partner of a Covered Individual, or (iii) a current or potential employer (other than the Town) of a Covered Individual, of a partner of a Covered Individual, or of an Immediate Family Member of a Covered Individual.

Step			
1	Identify the proposed Contract, counterparty, and the subject of the Contract.	Name of Contract:	
		Name of Counterparty	
		Subject of Contract:	
2		n the selection, award, or administration to that each Covered Individual has been	
	Public Officials	Employees	<u>Agents</u>
3	from the firm considered for a C	ividual has a (i) financial or other intere ontract. [If the estimated Contract am onflict of Interest Disclosure Form with	ount exceeds \$250,000, ensure that
Any	from the firm considered for a C	ontract. [If the estimated Contract am	ount exceeds \$250,000, ensure that
Any identified interest in	from the firm considered for a C each Covered Individual files a C	ontract. [If the estimated Contract amonflict of Interest Disclosure Form with	ount exceeds \$250,000, ensure that h the COI Point of Contact.]
Any identified interest in Step 3 is a	from the firm considered for a C each Covered Individual files a C	ontract. [If the estimated Contract amonflict of Interest Disclosure Form with	ount exceeds \$250,000, ensure that h the COI Point of Contact.]
Any identified interest in Step 3 is a potential	from the firm considered for a C each Covered Individual files a C	ontract. [If the estimated Contract amonflict of Interest Disclosure Form with	ount exceeds \$250,000, ensure that h the COI Point of Contact.]
Any identified interest in Step 3 is a	from the firm considered for a C each Covered Individual files a C	ontract. [If the estimated Contract amonflict of Interest Disclosure Form with	ount exceeds \$250,000, ensure that h the COI Point of Contact.]
Any identified interest in Step 3 is a potential "real"	from the firm considered for a C each Covered Individual files a C	ontract. [If the estimated Contract amonflict of Interest Disclosure Form with	ount exceeds \$250,000, ensure that h the COI Point of Contact.]
Any identified interest in Step 3 is a potential "real" conflict of	from the firm considered for a C each Covered Individual files a C Public Officials Identify whether any Related Part	ontract. [If the estimated Contract amonflict of Interest Disclosure Form with **Employees** y has a (i) financial or other interest in	ount exceeds \$250,000, ensure that h the COI Point of Contact.] Agents or (ii) tangible personal benefit from
Any identified interest in Step 3 is a potential "real" conflict of interest.	from the firm considered for a C each Covered Individual files a C Public Officials Identify whether any Related Part the firm considered from a Control	ontract. [If the estimated Contract amonflict of Interest Disclosure Form with <u>Employees</u>	ount exceeds \$250,000, ensure that h the COI Point of Contact.] Agents or (ii) tangible personal benefit from exceeds \$250,000, ensure that each
Any identified interest in Step 3 is a potential "real" conflict of interest.	from the firm considered for a C each Covered Individual files a C Public Officials Identify whether any Related Part the firm considered from a Control	ontract. [If the estimated Contract amonflict of Interest Disclosure Form with Employees y has a (i) financial or other interest in eact. If the estimated Contract amount	ount exceeds \$250,000, ensure that h the COI Point of Contact.] Agents or (ii) tangible personal benefit from exceeds \$250,000, ensure that each
Any identified interest in Step 3 is a potential "real" conflict of interest. 4 Any identified	from the firm considered for a C each Covered Individual files a C Public Officials Identify whether any Related Part the firm considered from a Contr Covered Individual files a Conflic	ontract. [If the estimated Contract amonflict of Interest Disclosure Form with Employees y has a (i) financial or other interest in a act. If the estimated Contract amount of of Interest Disclosure Form with the	ount exceeds \$250,000, ensure that h the COI Point of Contact.] Agents or (ii) tangible personal benefit from exceeds \$250,000, ensure that each COI Point of Contact.
Any identified interest in Step 3 is a potential "real" conflict of interest. 4 Any identified interest in	from the firm considered for a C each Covered Individual files a C Public Officials Identify whether any Related Part the firm considered from a Contr Covered Individual files a Conflict Public Officials – Related	ontract. [If the estimated Contract amonflict of Interest Disclosure Form with Employees y has a (i) financial or other interest in a act. If the estimated Contract amount of of Interest Disclosure Form with the	ount exceeds \$250,000, ensure that h the COI Point of Contact.] Agents or (ii) tangible personal benefit from exceeds \$250,000, ensure that each COI Point of Contact.
Any identified interest in Step 3 is a potential "real" conflict of interest. 4 Any identified interest in Step 4 is a	from the firm considered for a C each Covered Individual files a C Public Officials Identify whether any Related Part the firm considered from a Contr Covered Individual files a Conflict Public Officials – Related	ontract. [If the estimated Contract amonflict of Interest Disclosure Form with Employees y has a (i) financial or other interest in a act. If the estimated Contract amount of of Interest Disclosure Form with the	ount exceeds \$250,000, ensure that h the COI Point of Contact.] Agents or (ii) tangible personal benefit from exceeds \$250,000, ensure that each COI Point of Contact.
Any identified interest in Step 3 is a potential "real" conflict of interest. 4 Any identified interest in Step 4 is a potential	from the firm considered for a C each Covered Individual files a C Public Officials Identify whether any Related Part the firm considered from a Contr Covered Individual files a Conflict Public Officials – Related	ontract. [If the estimated Contract amonflict of Interest Disclosure Form with Employees y has a (i) financial or other interest in a act. If the estimated Contract amount of of Interest Disclosure Form with the	ount exceeds \$250,000, ensure that h the COI Point of Contact.] Agents or (ii) tangible personal benefit from exceeds \$250,000, ensure that each COI Point of Contact.
Any identified interest in Step 3 is a potential "real" conflict of interest. 4 Any identified interest in Step 4 is a	from the firm considered for a C each Covered Individual files a C Public Officials Identify whether any Related Part the firm considered from a Contr Covered Individual files a Conflict Public Officials – Related	ontract. [If the estimated Contract amonflict of Interest Disclosure Form with Employees y has a (i) financial or other interest in a act. If the estimated Contract amount of of Interest Disclosure Form with the	ount exceeds \$250,000, ensure that h the COI Point of Contact.] Agents or (ii) tangible personal benefit from exceeds \$250,000, ensure that each COI Point of Contact.

5	or relationship creates the appear	son with knowledge of the relevant facts ance that a Covered Individual or any I benefit from a firm considered for a Co	Related Party has a financial or other
Any identified interest in Step 5 is a potential "apparent" conflict of interest.	<u>Public Officials</u>	<u>Employees</u>	<u>Agents</u>

COI Point of Contact:	
Signature of COI Point of Contact:	
Date of Completion:	

EXHIBIT C

CONTRACT CONFLICT OF INTEREST DISCLOSURE FORM FOR OFFICIALS, EMPLOYEES, AND AGENTS

The Town of Carrboro (" <i>Town</i> ") has adopted a Conflict of Interest Policy (" <i>Policy</i> ") that governs the Town's expenditure of Federal Financial Assistance (as defined in <u>Section II</u> of the Policy). The Policy designates [] as the "COI Point of Contact."
The COI Point of Contact has identified you as an official, employee, or agent of the Town that may be involved in the selection, award, or administration of the following contract: (the "Contract"). To safeguard the Town's
expenditure of Federal Financial Assistance, the COI Point of Contact has requested that you identify any potential real or apparent conflicts of interest in the Firm considered for the award of a Contract. Using the Exhibit A to the Policy as a guide, please answer the following questions:
1. Do you have a financial or other interest in a firm considered for this Contract?
Yes No Unsure:
If the answer is Yes or Unsure, please explain:
2. Will you receive any tangible personal benefit from a firm considered for this Contract?
Yes No Unsure: If the answer is Yes or Unsure, please explain:
3. For purposes of Question 3(a) and 3(b), your "Immediate Family Members" include: (i) your spouse and their parents, (ii) your child, (iii) your parent and any spouse of your parent, (iv) your sibling and any spouse of your sibling, (v) your grandparents or grandchildren, and the spouses of each, (vi) any domestic partner of any individual in (ii) through (v) of this definition; and (vii) any individual related by blood or affinity whose close association with you is the equivalent of a family relationship.
a. Do you have an Immediate Family Member with a financial or other interest in a firm considered for this Contract?
Yes No Unsure:

		If the answer is Yes or Unsure, please explain:
	b.	Do you have an Immediate Family Member that will receive a tangible personal benefit from a firm considered for this Contract?
		Yes No Unsure:
4.	Do you have a this Contract?	any other partner with a financial or other interest in a firm considered for
		Yes No Unsure:
		If the answer is Yes or Unsure, please explain:
5.	=	er partner of yours receive any tangible personal benefit from a firm r this Contract?
		Yes No Unsure:
		If the answer is Yes or Unsure, please explain:
6.	interest in a fin	rent or potential employer (other than the Town) have a financial or other rm considered for this Contract or will such current or potential employer ible personal benefit from this Contract?
		Yes No Unsure:
		If the answer is Yes or Unsure, please explain:
7.	Benefits to Er	<u>nployers</u>
	Immed	a current or potential employer (other than the Town) of any of your diate Family Members have a financial or other interest in a firm ered for this Contract?
		Yes No Unsure:
		If the answer is Yes or Unsure, please explain:

		current or potential employer (other than the Town) of any of your late Family Members receive a tangible personal benefit from this et?
		Yes No Unsure:
		If the answer is Yes or Unsure, please explain:
		current or potential employer (other than the Town) of any partner of ave a financial or other interest in a firm considered for this Contract?
		Yes No Unsure:
		If the answer is Yes or Unsure, please explain:
		current or potential employer (other than the Town) of any partner of eceive a tangible personal benefit from this Contract?
		Yes No Unsure:
		If the answer is Yes or Unsure, please explain:
8.	financial or of	ting situation or relationship create the <u>appearance</u> that you have a er interest in a firm considered for this Contract or will receive a tangible it from a firm considered for this Contract?
	Yes_	No Unsure:
	If the	nswer is Yes or Unsure, please explain:
9.	Family Meml	ing situation or relationship create the <u>appearance</u> that any Immediate er of yours has a financial or other interest in a firm considered for this all receive a tangible personal benefit from a firm considered for this
	Yes _	No Unsure:

If the answer is Yes or Unsure, please explain:	
10. Does any existing situation or relationship create the <u>appearance</u> that your current potential employer (other than the Town) has a financial or other interest in a financial for this Contract or will receive a tangible personal benefit from a financial for this Contract?	rm
Yes No Unsure:	
If the answer is Yes or Unsure, please explain:	
11. Does any existing situation or relationship create the <u>appearance</u> that any current potential employer (other than the Town) of any of your Immediate Family Membershas a financial or other interest in a firm considered for this Contract or will receive tangible personal benefit from a firm considered for this Contract?	ers
Yes No Unsure:	
If the answer is Yes or Unsure, please explain:	

or er fit
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EXHIBIT D

COMPLIANCE CHECKLIST FOR SUBAWARD OVERSIGHT

The Town of Carrboro ("Town") has adopted a Conflict of Interest Policy ("Policy") that governs the
Town's expenditure of Federal Financial Assistance (as defined in Section II of the Policy). The Policy designates
as the "COI Point of Contact." The Policy requires the COI Point of Contact to complete this Compliance
Checklist to identify potential real or apparent conflicts of interest in connection with proposed Subawards (as
defined in Section II) and file the Checklist in the records of the Town.

Instructions for Completion

- 1. The COI Point of Contact shall complete Steps 1 through 5 of the Checklist below.
- 2. If the value of the proposed Subaward exceeds \$250,000, the COI Point of Contact shall collect a Conflict of Interest Disclosure Form from each Covered Individual.
- 3. If the COI Point of Contact identifies a potential real or apparent conflict of interest after completing this Compliance Checklist, the COI Point of Contact shall report such potential conflict of interest to [_____] and to each member of the Governing Board.

Definitions.

- 1. *Covered Individual*. Each person identified in Section 1 of this Checklist is a "Covered Individual" for purposes of this Compliance Checklist and the Policy.
- 2. *Immediate Family Member* means, with respect to any Covered Individual, (i) a spouse, and parents thereof, (ii) a child, and parent thereof, (iii) a parent, and spouse thereof, (iv) a sibling, and spouse thereof, (v) a grandparent and grandchild, and spouses thereof, (vi) domestic partners and parents thereof, including domestic partners of any individual in (ii) through (v) of this definition; and (vii) any individual related by blood or affinity whose close association with the Covered Individual is the equivalent of a family relationship.
- 3. Related Party means (i) an Immediate Family Member of a Covered Individual, (ii) a partner of a Covered Individual, or (iii) a current or potential employer (other than the Town) of a Covered Individual, of a partner of a Covered Individual, or of an Immediate Family Member of a Covered Individual.

Step				
	Identify the proposed Subaward, Subrecipient, and the	Name of Contract:		
	subject of the Subaward.	Name of Counterparty		
1		Subject of Subaward:		
	Identify all individuals in	nvolved in the selection, a	ward, or administration of the Subaw	ard. These individuals are
2	"Covered Individuals". Interest Policy.	Ensure that each Covered	d Individual has been provided with	a copy of the Conflict-of-
	Public (<u>Officials</u>	<u>Employees</u>	<u>Agents</u>
3	the firm considered for a	Subaward. [If the estimate	inancial or other interest in, or (ii) tanged Subaward amount exceeds \$100,000 orm with the COI Point of Contact.]	
3 Any identified	the firm considered for a	Subaward. [If the estimate to f Interest Disclosure Fo	ed Subaward amount exceeds \$100,000	
Any	the firm considered for a Individual files a Conflic	Subaward. [If the estimate to f Interest Disclosure Fo	ed Subaward amount exceeds \$100,000 orm with the COI Point of Contact.]	0, ensure that each Covered
Any identified interest in Step 3 is a	the firm considered for a Individual files a Conflic	Subaward. [If the estimate to f Interest Disclosure Fo	ed Subaward amount exceeds \$100,000 orm with the COI Point of Contact.]	0, ensure that each Covered
Any identified interest in Step 3 is a potential	the firm considered for a Individual files a Conflic	Subaward. [If the estimate to f Interest Disclosure Fo	ed Subaward amount exceeds \$100,000 orm with the COI Point of Contact.]	0, ensure that each Covered
Any identified interest in Step 3 is a	the firm considered for a Individual files a Conflic	Subaward. [If the estimate to f Interest Disclosure Fo	ed Subaward amount exceeds \$100,000 orm with the COI Point of Contact.]	0, ensure that each Covered
Any identified interest in Step 3 is a potential "real" conflict of	the firm considered for a Individual files a Conflict Public Conflict Identify whether any Re	Subaward. [If the estimate of Interest Disclosure For Officials Interest Disclosure For Difficials Interest Disclosure For Difficials	ed Subaward amount exceeds \$100,000 crm with the COI Point of Contact.] Employees cial or other interest in or (ii) tangible	Agents Agents e personal benefit from the
Any identified interest in Step 3 is a potential "real" conflict of	Identify whether any Refirm considered from a S	Subaward. [If the estimate of Interest Disclosure For Difficials] lated Party has a (i) finance of the stimated of the estimated of the estim	ed Subaward amount exceeds \$100,000 orm with the COI Point of Contact.] Employees	Agents Agents e personal benefit from the
Any identified interest in Step 3 is a potential "real" conflict of interest.	Identify whether any Refirm considered from a Sindividual files a Confliction	Subaward. [If the estimate of Interest Disclosure For Difficials] lated Party has a (i) finance of the stimated of the estimated of the estim	ed Subaward amount exceeds \$100,000 crm with the COI Point of Contact.] Employees cial or other interest in or (ii) tangible 1 Subaward amount exceeds \$100,000	Agents Agents e personal benefit from the
Any identified interest in Step 3 is a potential "real" conflict of interest.	Identify whether any Refirm considered from a Sindividual files a Confliction	Subaward. [If the estimate of Interest Disclosure For Difficials Lated Party has a (i) finance of Interest Disclosure For Int	ed Subaward amount exceeds \$100,000 orm with the COI Point of Contact.] Employees cial or other interest in or (ii) tangible I Subaward amount exceeds \$100,000 orm with the COI Point of Contact.	Agents Agents e personal benefit from the D, ensure that each Covered
Any identified interest in Step 3 is a potential "real" conflict of interest. 4 Any identified interest in Step 4 is a	Identify whether any Refirm considered from a Sindividual files a Confliction	Subaward. [If the estimate of Interest Disclosure For Difficials Lated Party has a (i) finance of Interest Disclosure For Int	ed Subaward amount exceeds \$100,000 orm with the COI Point of Contact.] Employees cial or other interest in or (ii) tangible I Subaward amount exceeds \$100,000 orm with the COI Point of Contact.	Agents Agents e personal benefit from the D, ensure that each Covered
Any identified interest in Step 3 is a potential "real" conflict of interest. 4 Any identified interest in Step 4 is a potential	Identify whether any Refirm considered from a Sindividual files a Confliction	Subaward. [If the estimate of Interest Disclosure For Difficials Lated Party has a (i) finance of Interest Disclosure For Int	ed Subaward amount exceeds \$100,000 orm with the COI Point of Contact.] Employees cial or other interest in or (ii) tangible I Subaward amount exceeds \$100,000 orm with the COI Point of Contact.	Agents Agents e personal benefit from the D, ensure that each Covered
Any identified interest in Step 3 is a potential "real" conflict of interest. 4 Any identified interest in Step 4 is a	Identify whether any Refirm considered from a Sindividual files a Confliction	Subaward. [If the estimate of Interest Disclosure For Difficials Lated Party has a (i) finance of Interest Disclosure For Int	ed Subaward amount exceeds \$100,000 orm with the COI Point of Contact.] Employees cial or other interest in or (ii) tangible I Subaward amount exceeds \$100,000 orm with the COI Point of Contact.	Agents Agents e personal benefit from the D, ensure that each Covered

relationship creates the appearance that a Covered	I Individual or any Related Party has a	•
<u>Public Officials</u>	<u>Employees</u>	<u>Agents</u>
Contact:		
	relationship creates the <i>appearance</i> that a Covered in or a tangible personal benefit from a firm considerable pe	Contact:

Date of Completion:

EXHIBIT E

SUBAWARD CONFLICT OF INTEREST DISCLOSURE FORM FOR OFFICIALS, EMPLOYEES, AND AGENTS

The Town of Carrboro (" <i>Town</i> ") has adopted a Conflict of Interest Policy (" <i>Policy</i> ") th governs the Town's expenditure of Federal Financial Assistance (as defined in <u>Section II</u> of the Policy The Policy designates [] as the COI Point of Contact.
The COI Point of Contact has identified you as an official, employee, or agent of the Town the may be involved in the selection, award, or administration of the following subaward (the "Subaward"). To safeguard the Town's expenditure of the selection of the following subaward (the "Subaward").
Federal Financial Assistance, the COI Point of Contact has requested that you identify any potenti- real or apparent conflicts of interest in the Firm considered for the award of a Subaward. Using the Exhibit A to the Policy as a guide, please answer the following questions:
1. Do you have a financial or other interest in a firm considered for this Subaward?
Yes No Unsure:
If the answer is Yes or Unsure, please explain:
2. Will you receive any tangible personal benefit from a firm considered for this Subaward?
Yes No Unsure:
If the answer is Yes or Unsure, please explain:
3. For purposes of Question 3(a) and 3(b), your "Immediate Family Members" include: (i) your spouse ar their parents, (ii) your child, (iii) your parent and any spouse of your parent, (iv) your sibling and any spous of your sibling, (v) your grandparents or grandchildren, and the spouses of each, (vi) any domestic partner any individual in (ii) through (v) of this definition; and (vii) any individual related by blood or affinity who close association with you is the equivalent of a family relationship.
a. Do you have an Immediate Family Member with a financial or other interest in a fir considered for this Subaward?
Yes No Unsure:

If the answer is Yes or Unsure, please explain:						
	b.	Do you have an Immediate Family Member that will receive a tangible personal benefit from a firm considered for this Subaward?				
		Yes No Unsure:				
4.	Do you have any	other partner with a financial or other interest in a firm considered for this Subaward?				
		Yes No Unsure:				
		If the answer is Yes or Unsure, please explain:				
5.	Will any other pa	artner of yours receive any tangible personal benefit from a firm considered for this				
		Yes No Unsure:				
		If the answer is Yes or Unsure, please explain:				
6.	-	or potential employer (other than the Town) have a financial or other interest in a firm is Subaward or will such current or potential employer receive a tangible personal Subaward?				
1		Yes No Unsure:				
		If the answer is Yes or Unsure, please explain:				
7.	Benefits to Emplo	<u>overs</u>				
		urrent or potential employer (other than the Town) of any of your Immediate Family s have a financial or other interest in a firm considered for this Subaward?				
		Yes No Unsure: If the answer is Yes or Unsure, please explain:				
		if the answer is 105 of Offsure, prease explain.				

Yes No Unsure: If the answer is Yes or Unsure, please explain: c. Does a current or potential employer (other than the Town) of any partner of yours have a financial or other interest in a firm considered for this Subaward? Yes No Unsure: If the answer is Yes or Unsure, please explain: d. Will a current or potential employer (other than the Town) of any partner of yours receive a tangible personal benefit from this Subaward? Yes No Unsure: If the answer is Yes or Unsure, please explain: Does any existing situation or relationship create the *appearance* that you have a financial or other interest in a firm considered for this Subaward or will receive a tangible personal benefit from a firm considered for this Subaward? Yes No Unsure: If the answer is Yes or Unsure, please explain:	b.	Will a current or potential employer (other than the Town) of any of your Immediate Family Members receive a tangible personal benefit from this Subaward?
c. Does a current or potential employer (other than the Town) of any partner of yours have a financial or other interest in a firm considered for this Subaward? Yes No Unsure: If the answer is Yes or Unsure, please explain: d. Will a current or potential employer (other than the Town) of any partner of yours receive a tangible personal benefit from this Subaward? Yes No Unsure: If the answer is Yes or Unsure, please explain: Does any existing situation or relationship create the *appearance* that you have a financial or other interest in a firm considered for this Subaward or will receive a tangible personal benefit from a firm considered for this Subaward? Yes No Unsure:		Yes No Unsure:
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		If the answer is Yes or Unsure, please explain:
Does any existing situation or relationship create the <u>appearance</u> that any Immediate Family Member of yours has a financial or other interest in a firm considered for this Subaward or will receive a tangible personal benefit from a firm considered for this Subaward?	yours ha	s a financial or other interest in a firm considered for this Subaward or will receive a tangible
Yes No Unsure:		Yes No Unsure:
If the answer is Yes or Unsure, please explain:		If the answer is Yes or Unsure, please explain:

8.

9.



Town of Carrboro

Agenda Item Abstract

File Number: 22-260

Agenda Date: 9/20/2022 File Type: Agendas

In Control: Board of Aldermen

Version: 1

TITLE:

Grant Project Ordinance for Expenditure of ARP/CSLFRF Funds

PURPOSE: The purpose of this agenda item is to present to the Town Council a proposed

allocation of ARP/CSLFRF for consideration and adoption on October 11, 2022

DEPARTMENT: Town Manager; Finance

CONTACT INFORMATION: Richard White, 919.918.7315; Arche McAdoo, 919.918.7439

INFORMATION: The initial grant project ordinance adopted on May 4, 2021 provided for the designation and accounting of these funds in the Special Revenue Fund. Amendment of the grant project ordinance on June 22, 2021, appropriated \$300,000 for Small Business Grants, \$224,795 for Premium Pay and \$1,834,730 for Revenue Replacement. In December 2021, the appropriation for Small Business Grants was increased to \$326,522 to fund more businesses. Due to the expenditure and reporting rules for premium pay, town staff concluded that it was not in the best interests of the Town to implement this program. The Small Grants program was implemented last year and to date has awarded \$326,522 to small businesses negatively impacted by the pandemic.

The proposed allocation and expenditure of ARP/CSLFRF is based on the work of the the Town's ARPA Work Group. The Town's ARPA Work Group was comprised of department directors and other staff members who reviewed the ARP/CSLFRF allowable activities and sought to align them with identified needs gained from interviews with nonprofits, BIPOC roundtables, community engagements, surveys and other means.

The attached Grant Project Ordinance allocates the Town's \$6.7 million grant award for eligible costs incurred from March 3, 2021 through December 31, 2024. All monies must be expended by December 31, 2026. (Note: A cost is incurred when it is legally obligated and expended when the amount is due for payment.)

Proposed expenditures include equipment, supplies and materials for public safety; maintenance and renovation of parks; in addition to the Small Business Grants, technical assistance for minority businesses and a disparity study; human services, energy efficiency renovations, emergency housing assistance, water bill debt assistance, and affordable housing. Expenditures are also proposed for the relocation of underground fuel tanks, community engagement and assistance with grant administration.

Agenda Date: 9/20/2022 File Type: Agendas

In Control: Board of Aldermen

Version: 1

One of the major expenditure groups under ARP/CSLFRF is Revenue Replacement for lost revenue growth. A local government may spend up to \$10 million or its entire allotment of ARP/CSLFRF funds, whichever is lower in this category without having to demonstrate any actual lost revenue growth. Revenue replacement funds may be spent on the "provision of government services, i. e., any service traditionally provided by a government, unless U. S. Treasury states otherwise. Using Revenue Replacement allows a local government to spend these funds for almost any purpose authorized by state law, with fewer compliance requirements and more streamlined reporting.

The Revenue Replacement category is the most flexible spending category with the fewest compliance requirements. Because of this, we recommend that the Town of Carrboro use its entire ARP/CSLFRF allotment under the Revenue Replacement category. The attached draft Grant Project Ordinance shows proposed allocation of ARP/CSLFRF funds by functional category as we do in the annual operating budget.

Use of ARP/CSLFRF funds under Revenue Replacement must be in compliance with the following:

- Award terms and conditions of the grant
- Eligible use as defined in the ARP/CSLFRF Final Rule.
- Costs incurred from March 3, 2021 through December 31, 2024.
- Reporting.
- Maintenance of and access to records.
- Conflicts of Interest
- Applicable laws and regulations.
- Civil rights compliance.
- Hatch Act; and,
- Protection of whistleblowers.

With the adoption of ARP/CSLFRF policies and approval of this grant project ordinance, staff can then move to defining those internal processes and procedures we must employ to ensure these funds are spent in compliance with the Act, as well as documenting decisions made, and efforts undertaken to ensure compliance with the Act and rules.

FISCAL & STAFF IMPACT: The Town has received an allocation of \$6.7 million.

RECOMMENDATION: Staff recommends that the Town Council review the allocation list, provide comments and feedback to staff for adoption on October 11, 2022.

Grant Project Ordinance American Rescue Plan Act of 2021, Coronavirus State and Local Fiscal Recovery Funds

BE IT ORDAINED by the Town Council of the Town of Carrboro, North Carolina that, pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following grant project ordinance is hereby adopted:

Section 1: This ordinance is to establish a budget for a project(s) to be funded by the Coronavirus State and Local Fiscal Recovery Funds of H.R. 1319 American Rescue Plan Act of 2021 (ARP/CSLFRF). The Town of Carrboro (Town) has received a total allocation is \$6,753,198.84.

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. 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.

Section 2: The Town has elected to take the standard allowance to replace lost public sector revenue (Revenue Replacement), as authorized by 31 CFR Part 35.6(d)(1) and expend all its ARP/CSLFRF funds for the provision of government services.

Section 3: The following amounts are appropriated for the project(s) and authorized for government services expenditure:

Section 4: The following revenues are anticipated to be available to complete the project:

ARP/CSLFRF Funds: \$6,753,198.84

General Fund Transfer: \$0

Total: \$6,753,198.84

	TOWN OF CARRBORO PROPOSED USE OF REVENUE REPLACEMENT FUNDS - ARP/CSLFRF						
nternal Project Code	Project Description	Expenditure Category (EC)	Cost Object	of AR	opriation P/CSLFRF unds		
	Economic Development					\$	1,226,522.0
	Small Business Grants		Grants	\$ 3	26,522.00		
	Dispararity Study		Professional Services	\$ 4	00,000.00		
	Minority Business Assistance		Professional Services	\$ 5	00,000.00		
	Recreation & Parks	6.1					\$616,40
	Maintenance & Repair		Maintenance & Repair	\$ 1	.00,000.00		
	Horse Shoe Pits - Anderson Park		Maintenance & Repair	\$ 1	14,400.00		
	Baldwin Park Renovation		Maintenance & Repair	\$ 2	27,000.00		
	Cantilever Shades for Parks		Equipment	\$ 1	.50,000.00		
	Music Festival FY 2023-24			\$	25,000.00		
	Public Safety - Fire & Rescue					\$	131,298.0
	Cardiac Monitor		Equipment		50,000.00		
	Defibrillators		Supplies	\$	3,000.00		
	LUCAS Chest Compression System		Equipment	\$ 4	40,000.00		
	Medical Bags and Supplies		Supplies		7,100.00		
	Radio Update			\$ 3	31,198.05		
	Public Safety - Police					\$	156,450.4
	Use of Force Training		Training & Education	\$	40,000.00		
	Mental Health Response Pilot Program		Training & Education	\$	70,000.00		
	Radio Update			\$	46,450.43		
	Information Technology	6.1				\$	500,000.0
	Fiber Optic Network Rogers Rd and Lincoln Ctr		Construction	\$ 5	500,000.00		
						_	
	Public Works	6.1	0 1 11	4 -		\$	355,000.0
	Relocation of Underground Fuel Tanks		Construction	\$ 3	355,000.00		
	Housing and Community Services	6.1				ς	2,554,100.0
	Human Services	0.2		\$ 5	503,500.00	_	2,55 1,2551
	LMI Home Energy Efficiency Renovations			L'	600,000.00		
	Emergency Housing Assistance			T .	500,000.00		
	OWASA Water Bill Debt				50,600.00		
	Affordable Housing Units	1			00,000.00		
	-				<u> </u>		
	General Administration	6.1		\$	-	\$	175,000.
	Grants Manager			-	75,000.00	Ė	,
	Community Engagement			+	.00,000.00		
	Unassigned	6.1		+	38,428.36	\$	1,038,428.

Section 5: The Finance Officer is hereby directed to maintain sufficient specific detailed accounting records to satisfy the requirements of the grantor agency and the grant agreements, including payroll documentation and effort certifications, in accordance with 2 CFR 200.430 & 2 CFR 200.431 and the Town's Uniform Guidance Allowable Costs and Cost Principles Policy.

Section 6: The Finance Officer is hereby directed to report the financial status of the project to the governing board on a quarterly basis.

Section 7: Copies of this grant project ordinance shall be furnished to the Budget Officer, the Finance Officer and to the Clerk to Town Council.

Section 8: This grant project ordinance expires on December 31, 2026, or when all the ARP/CSLFRF funds have been obligated and expended by the Town, whichever occurs sooner.



Town of Carrboro

Agenda Item Abstract

File Number:22-272

Agenda Date: 9/20/2022

File Type: Agendas

In Control: Board of Aldermen

Version: 1

Climate Reality Event Fee Waiver