

CASWELL COUNTY BOARD OF COMMISSIONERS
MEMBERS PRESENT

April 18, 2022
OTHERS PRESENT

Rick McVey, Chairman
David Owen, Vice Chairman
John Dickerson
Nathaniel Hall
Jeremiah Jefferies
Steve Oestreicher

Bryan Miller, County Manager
Carla Smith, Clerk to the Board
Brian Ferrell, County Attorney (Joined Remote)

The Board of Commissioners for the County of Caswell, North Carolina, met in regular session on Monday, April 18, 2022 at 6:30 pm in the Historic Courthouse.

WELCOME:

Chairman McVey called the meeting to order. Before starting the meeting, Chairman McVey said on behalf of the Board, we want to offer our condolence to the Carter family. Commissioner Carter passed away on April 10, 2022. Please keep them in your thoughts and prayers. Chairman McVey asked everyone to join him for a moment of Silent Prayer, and following that Board of Commissioners and all the guest in attendance recited the Pledge of Allegiance.

BOARD OF EQUALIZATION AND REVIEW

The Clerk led the Board of Commissioners in the oath of the Board of Equalization and Review, and asked that all Board members sign the oath following the meeting.

Thomas Bernard, Tax Director, greeted the Board and stated that he had received one appeal on record for this evening. This is for the NC4Caswell, which is the Caswell House. Not the Brian Center, but the Caswell House. All Mr. Bernard has received so far is an opinion of value, and their opinion is \$3,461,339. The County has the value at \$5,153,649. Mr. Ferrell and Mr. Bernard were discussing the issue today, and came to the conclusion that Mr. Bernard should send them a certified letter notifying them that their appeal is under review by the Board of Equalization and Review. The letter will let them know we will meet and adjourn on the first Monday in May, and they'll have time to send an appraisal or something of that nature in to sustain their opinion of value. If anybody's in the audience and would like to do an appeal, they're more than welcome. Right, Mr. Ferrell?

Attorney Ferrell said yes, Mr. Bernard. So members of the Board you meet once again to fulfill your annual duty as the Board of Equalization and Review and to review the tax listings and also hear any taxpayer appeals or evaluation of appeals that have been filed this year. As the Tax Director has just reported to you, he has received one single appeal from a taxpayer. Taxpayers may bring appeals to you as the Board of Equalization and Review at any time prior to your adjournment. The tax director is suggesting and I agree with his recommendation, that you

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scheduled the hearing. Go ahead and schedule the hearing on the current tax appeal that's been filed for your next meeting, which is the first meeting in May. Let me just get the time and date certain for you. That is May 2nd at 9:00 am. Schedule the appeal on the pending matter for May 2nd at 9:00 am. Of course any other taxpayers can bring forward appeals until your date of adjournment, which is scheduled also for that first meeting, May 2nd. So that's the work before you as the Board of Equalization and Review, and our recommendation to hold the first and only appeal that you have so far. As the Tax Director suggested, if there are any members of the public who wish to file appeals this evening, they can certainly do that by coming forward tonight.

Chairman McVey thanked Attorney Ferrell and stated if there's no more appeals, we will recess until May 2nd.

Commissioner Hall said he had one question. We have what the property owner thinks is a good appraised value. Will we have an appraised value that we support? We being the County. Mr. Bernard said the figure that the County supports is on the property card. It is adjacent to that. It is \$5,153,649.

PUBLIC COMMENTS:

There were no public comments.

RECOGNITIONS:

There were no recognitions.

AGENDA:

APPROVAL OF AGENDA:

Commissioner Owen said he would like to make an amendment to the agenda. We need to remove the closed session scheduled for tonight.

A **motion** was made by Commissioner Owen and seconded by Commissioner Jefferies and **carried unanimously** to approve the agenda as amended. (Commissioners Dickerson, Hall, Jefferies, Owen, Oestreicher, and McVey voted in favor)

APPROVAL OF CONSENT AGENDA:

- a. April 4, 2022 Regular Meeting Minutes

A **motion** was made by Commissioner Owen and seconded by Commissioner Jefferies and **carried unanimously** to approve the consent agenda. (Commissioners Dickerson, Hall, Jefferies, Owen, Oestreicher, and McVey voted in favor)

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DISCUSSION ITEMS:

There were no discussion items on the agenda.

ACTION ITEMS:

NONDISCRIMINATION POLICY:

County Manager Miller said Commissioners, really quickly I want to go over with you item numbers 8, 9, 10, and 11. I just want to let you know that these are policies, if not highly recommended by the School of Government maybe even required by the Federal Government, that we enter into for the use of American Rescue Plan dollars that we received, and we'll continue to receive. We have the Non-discrimination Policy, the Eligible Use Policy, Record Retention Policy, and the Cost Principal Policy. So what I'll ask tonight is that as you go through each policy and as I ask if you have questions, that you would approve each policy knowing that these are somewhat required for us to use these dollars.

The Non-discrimination Policy is exactly what it says. It requires us not to discriminate against any of the protected classes, as well as the title VI of the Civil Rights Act, the Fair Housing Act, Section 504 of the Rehabilitation Act, the Age Discrimination Act, and Title II of the Americans with Disabilities Act of 1990. I'll be happy to answer any questions about the Nondiscrimination Policy that you have, if there are any questions.

Attorney Ferrell said Mr. Chair and Mr. Manager, as you go through the policies this evening I just know there's a couple of formatting issues that need to be resolved in the various policies. Nothing substantive, but for instance we just need to add a title in one place and delete a couple of brackets in other places. Again not changing any of the substance of the policies. If you will when you approve these policies this evening, if that's the pleasure of the Board, if you'll just do that subject to final County Attorney approval and I'll clean up those formatting issues.

Chairman McVey asked if the County Manager wanted a vote on each policy, and the County Manager said yes.

The policy was adopted by consensus and **carried unanimously**. (Commissioners Dickerson, Hall, Jefferies, Owen, Oestreicher, and McVey voted in favor)

ARPA ELIGIBLE USE POLICY:

The County Manager said Commissioners, the Eligible Use Policy is once again exactly like it lays out. It helps local governments and agencies determine the eligible uses for the funds. I'll be happy to answer any questions you have about the eligible uses, or if you'd like me to go over the eligible uses, I'm happy to do that.

Commissioner Oestreicher said is that primarily covered with Exhibit A. Is that kind of

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the short form or the readable form of that? Would you say? The County Manager said to some degree, yes. I think every individual situation and every individual project requires a full vetting of the project. So for instance if one says rehabilitation is an eligible use, I think we've really got to look at what's being rehabbed and how we go about doing that. Mr. Miller thinks what's even more important is that we contact our folks at the School of Government for each individual program we approve. We should talk to them about those programs and make sure that this meets the final rule by the Treasury Department in every instance. Mr. Miller has had the Deputy County Manager, Melissa Williamson, working really closely with the UNC School of Government and with the ARPA money. She's formed some very good relationships, and I'm confident we can do that. Commissioner Oestreicher asked do they make the final determination. County Manager Miller said no, we would make the final determination, but we would rest pretty heavily on their guidance. Commissioner Oestreicher said so Exhibit A, which is a lot easier to read than the rest of the document, that's kind of the gateway, and then if you want to drill down, you go to the rest of the document. That's basically what you are saying. The County Manager said yes.

A **motion** was made by Commissioner Owen and seconded by Commissioner Oestreicher and **carried unanimously** to approve the policy subject to final County Attorney approval. (Commissioners Dickerson, Hall, Jefferies, Owen, Oestreicher, and McVey voted in favor)

ARPA RECORD RETENTION POLICY:

The County Manager said Commissioners, once again just like it sounds. This policy lays out how long we have to retain the records of approved expenditures through the ARPA funding. Right now it's a period of five years. We would retain all of the documents and these policies associated with those documents for that length of time, and at such time, we would look for further guidance from the Treasury on if we need to retain them. At that point in time if they said we did not need to retain them, we would then dispose of the records or revert to State law, which we have our own retention policy for.

A **motion** was made by Commissioner Owen and seconded by Commissioner Dickerson and **carried unanimously** to approve the policy subject to final County Attorney approval. (Commissioners Dickerson, Hall, Jefferies, Owen, Oestreicher, and McVey voted in favor)

ARPA COST PRINCIPLE POLICY:

The County Manager said Commissioners, this covers the allowable cost and cost principles that are allowed to be spent, and it lays out for the individual recipients how they must go about applying these costs within their organization. It also makes sure that the organizations that receive this funding are eligible to receive federal grants number one. Number two, they are

trustworthy to receive the federal grants and are able to report in a timely fashion as required by the Treasury.

A **motion** was made by Commissioner Owen and seconded by Commissioner McVey and **carried unanimously** to approve the policy subject to final County Attorney approval. (Commissioners Dickerson, Hall, Jefferies, Owen, Oestreicher, and McVey voted in favor)

FINANCE POSITIONS:

The County Manager said Commissioners, at an earlier meeting I had requested at least one of the positions we'll talk about tonight. At that time the Board indicated that we should wait till budget time and consider these positions then. Sometime after that meeting, all members of the Board were invited to speak with the CPAs that are working along with county staff at the present time. Most of the Board took the opportunity to speak with the CPA advisors. After several Commissioners had met with the advisors, I was instructed by Commissioner McVey and Commissioner Jefferies to add this agenda item to the next meeting. If the Board approves the new positions, I firmly believe it will take at least until July 1st to advertise, interview, make job offers, and allow selective candidates the proper notice to their current employers. Therefore, I would not anticipate adding additional funding to the current year's physical budget. This would simply allow us to begin the process and start the 2022-23 fiscal year off with fully staffed Finance Department. These positions are accountant type positions and would be filled with trained and experienced staff. These positions would assist in the preparation of financial reports, financial statements, maintain the new financial software, assist with audit preparation and year end close-out processes, account reconciliations, as well as budget preparation, invoice entry, and other duties as assigned. These positions would be more specialized than some of the positions that we have now, and they would not necessarily be involved in accounts receivable and accounts payables. So I'm happy to answer any questions the Board has. As I said it was Commissioner McVey and Commissioner Jefferies that asked me to include this on the agenda. If the board wants to discuss this without staff involvement that's fine, but I'm happy to answer any questions you have.

Commissioner Jefferies asked the County Manager if one of these positions had already been filled. We are here about the second position. It would be new or additional money. The County Manager said no, neither one of these positions have been filled. Chairman McVey said it is two new positions that those ladies recommended be put in Finance. The County Manager said at the first meeting when I brought this up and recommended to the board that we add positions, I had recommended to start with one position. I think the CPA advisors had suggested to the Board two positions. That's the reason I'm talking about two positions now instead of one.

Commissioner Dickerson said so we've added two Assistant County Managers positions, we're going to add two more in the Finance Department, we've had numerous cars added by folks on this Board that don't mind spending the taxpayers' money. So the county employees would go much further and every one of them have a car to take home. Where do we draw the line? People

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in this county pay high enough tax as it is. We keep adding to the payroll. We keep adding to the burden, and we're going to have a tax increase. How do you reply to that? The County Manager said well number one when we're talking about county expenditures, I think that's the Board's decision whether to fund those positions or not. So I bring you the information. Quite honestly I wasn't in the room for a lot of the discussion with the CPA advisors. So I don't necessarily know what's discussed, but what I'll say is after the discussion that I was asked by two Commissioners to add this agenda item to the agenda. That's what I've done. I think there's certain positions within County Government that we desperately need. At least one, if not two, of these positions are that type of position that we desperately need. Mr. Miller said he knows Commissioner Hall has mentioned many times in the past that we needed more trained and seasoned professionals working for the County, especially in the Finance Department to make sure these processes were done correctly. So I think that's what this proposal brings to you tonight is an opportunity for us to do those things. Commissioner Dickerson then said let me ask you in another way. This County has had how many people in that department? Currently how many? County Manager Miller said currently six. Commissioner Dickerson said how long has that been established? It's been six positions for how many years? The County Manager said for at least the seven years that I've been here. Commissioner Dickerson said and now all of a sudden we've got to have two more in that capacity to do the same job. County Manager Miller said I think the level of those positions or what we're lacking is the trained finance positions not the accounts receivable and accounts payable type positions. We're missing the positions that are trained to look for the accountant level detail that's needed and quite frankly required in a lot of our interactions today that haven't necessarily always been required before. Commissioner Dickerson said well you've answered very well. I won't beat the messenger, but I won't go along with that expenditure. We could use another 20 police officers on the beat, but we can't afford that. At some point in time you've got to make decisions based upon the financial capacity in this county, and I'm not going to go along and continue to add to the tax burden. So I will not support it. I'm only one person so we will see where it goes.

Chairman McVey said we are going on the recommendations of the CPA folks that we hired to come in here and go through the books. Commissioner Dickerson said I've heard that, and I don't agree with it. Commissioner Jefferies said he felt like it was well worth putting it on the agenda so the entire Board could understand what was going on. Mr. Jefferies thought the Payroll Coordinator position was not filled, so the money should still be there for that position. The County Manager said so I informed the Board, I believe at your last meeting, that we have temporarily filled that position. So we do have someone in that position currently. However, that position would not be the type of position that the CPAs are referring to. That position is strictly a payroll position. That would not be the accountant type position with the level of detail involved to review and edit transactions in our financial software. So the positions are totally different. Mr. Jefferies said so my question is if we fill those two positions we are not planning to fill that position also. The County Manager said yes we would. We have to have someone as a

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payroll person. If it's the pleasure of the Board, we're happy moving forward with one and seeing how that works. Later we could come back to the board if another position is needed.

A **motion** was made by Commissioner Owen and seconded by Commissioner Jefferies and **carried 5-1** to approve one accounting position at this time and review at budget time or when the County Manager deems so. (Commissioners Hall, Jefferies, Owen, Oestreicher, and McVey voted in favor, and Commissioner Dickerson voted against the motion)

COUNTY MANAGER'S UPDATES:

The County Manager said Commissioners, I have four updates tonight. I did want to inform the Board as you all know, Commissioner Carter previously took care of the water systems for the county and was under contract to do so. So moving forward we're going to enter into a temporary contract with Andy Butts for the next couple months. During that time, we're going to put out an RFP for a water systems operator and see what responses we receive. So the results of the RFP will be coming back before this Board for approval. Are there any questions about that?

Commissioner Hall said so when you come back to us will you explain again because it's been a while, why we need a water system operator since we're on public water. County Manager Miller said yes I'll be happy to do that when I bring that back.

Commissioner Dickerson asked if the water systems operator will take over the water testing that Commissioner Carter was doing. County Manager Miller said sampling and testing. Yes. Then Commissioner Dickerson said so is that a contract where they do it as needed like Mr. Carter was doing it, or is that another full-time position you're adding to the county to pay for. The County Manager said no, it's as needed. It's on the contract basis.

Mr. Miller said so my second update for the Board is the Farmer Lake Board met and discussed the introduction of hybrid bass in the Farmer Lake. The introduction of hybrid bass would help increase the quality of the crappy population in the lake. It would do that by reducing the total number of crappy, but at that same time it would increase the quality by providing more abundant food source for the fish that remain. It also provides another sport fishing opportunity for recreational anglers. The stocking would be done by the North Carolina Wildlife Department. It would not cost the county anything to stock the lake. I do want to let the Board know that hybrid bass does not reproduce. So if for some reason at any point in time we wanted to stop this process, we could stop the process, and those fish would eventually die off because they do not reproduce. The Farmer Lake Board did a tremendous amount of research and fact-finding before they voted unanimously to undergo the stocking of hybrid bass in Farmer Lake. Unless there's any real opposition from this Board, we plan to move forward with that and make sure their name is on the list for next year.

Hearing no questions, the next thing that I have Commissioners is the latest on broadband. I think I may need a motion on this. So what I'd like to tell you is that we've received another

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partnership application from a company called Lumen. Lumen has bought CenturyLink, and now Lumen is being bought by I think it's Bright Star. Bright star is putting a tremendous amount of money into broadband infrastructure within the state. They've asked us to partner with them on the GREAT Grant, much as we did with Spectrum earlier. As we go to the next slide, these are the areas of the county that they would potentially expand broadband within, and as you can see the total project cost is \$3.64 million. The cost per premise, the cost per passing, or cost per house is \$3,562. There's 51 miles of fiber. They estimate that they'll ask for \$2.55 million on the state grant, and they request up to \$50,000 from the county. The provider would provide \$1.04 million for the project. So here's just a little bit closer look at the areas that they plan to provide service. CenturyLink provides phone service and internet service to many of these areas or have been in the past. However, at this point in time the CenturyLink service does not meet the 25 megabytes download and 3 megabytes upload threshold, so there are processes through the state or through the application process that will allow companies to object if they were expanding into already covered territory. So my recommendation to the Board is that we would approve the partnership agreement. Then through the application process of the state, let the state handle the rest of it.

Commissioner Owen said is there much overlap with Spectrum's map. The County Manager said there is some. Commissioner Owen said I was thinking about that northwest corner especially. Mr. Miller said in the top northwest corner there is some overlap. Not a tremendous amount of overlap though. I would say the largest amount of overlap is on the bottom set of lines in the bottom north east. That small area, and Mr. Miller went to the map to show everyone where he was talking about. I would say that's the largest area of overlap. Commissioner Oestreicher said this is a close-up. That's not the whole county there. The County Manager said right. So it's this area here. That's where I think the largest amount of overlap is between the two applications will occur.

Commissioner Oestreicher asked is this underground or all over head. The County Manager said it'll be a mix, but it is fiber to the premise. Then Commissioner Oestreicher asked how does this impact the Spectrum GREAT Grant application. Mr. Miller said so what you have is two different providers applying to cover the same area. Here again, this is a state grant application. My recommendation is we let the state figure that out. We're not involved in picking the winners or losers of the grant application. We're not responsible for vetting any of the internet service providers or ISPs. It's the state's responsibility, and I think we should let the state do their due diligence and do the work. Here again Mr. Miller foresees our max contribution to any or all total GREAT Grants to be \$250,000 max. Commissioner Oestreicher said so the total would be the same, and the County Manager said right. Commissioner Oestreicher said so these folks would just get a piece of what we've already allocated. Mr. Miller said that's correct. Then Commissioner Oestreicher asked what about their program or subscription costs. County Manager Miller said I do not have any information on that. Would the state sort that out asked Commissioner Oestreicher? The County Manager said that's part of the application process for

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the state. Mr. Miller believes there's additional points given for low cost providers. So here again that's part of the state application process, and I would say we need to let the state do their job. I'm sure the broadband office is more than aware of the capabilities of both companies. Then Commissioner Oestreicher asked about timing-wise. County Manager Miller asked about timing and the grant says from the date they're finally approved they have two years. Mr. Miller asked Lumen specifically about timing. They said of course we would like to get it done in a year to 18 months, but we can't promise you that.

Then the County Manager asked if he could get a motion if the board approves to approve the County Manager entering into the partnership agreement with Lumen.

A **motion** was made by Commissioner Oestreicher and seconded by Commissioner Owen and **carried unanimously** to approve the County Manager entering into the agreement with Lumen. (Commissioners Dickerson, Hall, Jefferies, Owen, Oestreicher, and McVey voted in favor)

County Manager Miller said in my last update Commissioners, I just want to let the Board know that we have received the certificate of occupancy for the Bartlett Yancey High School project for the cafeteria side of the project. There's only one small portion remaining for renovation. So the students will be able to move into the cafeteria and adjoining corridors immediately following spring break or as the school's Board of Education approves. For all intents and purposes, those facilities will be ready. That's all I have unless the Board has questions for me.

COMMISSIONER COMMENTS:

Commissioner Jefferies: Could Doll Branch Road be paved up to where the Phelps own. From where the Phelps own is about two and a half tenths of a mile. The County Manager said they would check into a partial paving of Doll Branch Road.

Commissioner Oestreicher: On the High School construction, you probably do not have this ready, but for the next meeting, can you get an update on where they stand on the security or securing that site for the students. That was a big part of this whole thing. The County Manager said sure he will do that.

Commissioner Owen: Can you get us an update on the contingency fund? You can give it at the next meeting.

ANNOUNCEMENTS AND UPCOMING EVENTS:

- **April 22, 2022 Earth Day Festival 1:00-6:00 pm in the Yanceyville Pavilion**
- **April 30, 2022 Farmer Lake Crappie Tournament**
- **May 2, 2022 Board of Commissioners Meeting 9:00 am**
- **May 6, 2022 Joint Meeting with Board of Education at 10:30 am at School Board Office**

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- **May 12, 2022 Joint Meeting with the Town of Milton and Town of Yanceyville at 6:00 pm at CoSquare.**

ADJOURNMENT:

A **motion** was made at 7:13 pm by Commissioner Owen and seconded by Commissioner Jefferies and **carried unanimously** to adjourn the meeting. (Commissioner Dickerson, Hall, Jefferies, Owen, Oestreicher, and McVey voted in favor)

Carla R. Smith
Clerk to the Board

Rick McVey
Chairman

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Recitals

WHEREAS, the Caswell County Local Government has received an allocation of funds from the “Coronavirus State Fiscal Recovery Fund” or “Coronavirus Local Fiscal Recovery Fund” (together “CSLFRF funds”), 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 (the “ARP/CSLFRF award”).

WHEREAS, CSLFRF funds are subject to the U.S. Department of Treasury (“Treasury”) regulations, including the Final Rule, the Award Terms and Conditions, and the Title VII implementing regulations at 31 C.F.R. Part 22.

WHEREAS, pursuant to the ARP/CSLFRF Award Terms and Conditions, and as a condition of receiving CSLFRF funds, the Caswell County Local Government agrees to follow all federal statutes and regulations prohibiting discrimination in its administration of CSLFRF under the terms and conditions of the ARP/CSLFRF award, including, without limitation, the following:

- i. 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 within programs or activities receiving federal financial assistance;
- ii. 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;
- iii. Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794), which prohibits discrimination on the basis of disability under any program or activity receiving Federal financial assistance;
- iv. The Age Discrimination Act of 1975, as amended (42 U.S.C. §§ 6101 et seq.), and Treasury’s implementing regulations at 31 C.F.R. Part 23, which prohibit discrimination on the basis of age in programs or activities receiving federal financial assistance; and
- v. Title II of the Americans with Disabilities Act of 1990, as amended (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.

RESOLVED, That the governing board of the Caswell County Local Government hereby adopts and enacts the following nondiscrimination policy, which shall apply to the operations of any program, activity, or facility that is supported in whole, or in part, by expenditures CSLFRF pursuant to the ARP/CSLFRF award.

Nondiscrimination Policy Statement

It is the policy of the Caswell County Local Government to ensure that no person shall, on the ground of race, color, national origin (including limited English Proficiency), familial status, sex, age, or disability, be excluded from participation in, be denied the benefits of, or be otherwise subject to discrimination under any program or activity administered by the Caswell County Local Government, including programs or activities that are funded in whole or part, with Coronavirus State and Local Fiscal Recovery Funds ("CSLFRF"), which the Caswell County Local Government received from the U.S. Department of Treasury ("Treasury") 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 (herein the "ARP/CSLFRF award").

I. Governing Statutory & Regulatory Authorities

As required by the CSLFRF [Award Terms and Conditions](#), the Caswell County Local Government shall ensure that each "activity," "facility," or "program"¹ that is funded in whole, or in part, with CSLFRF and administered under the ARP/CSLFRF award, will be facilitated, operated, or conducted in compliance with the following federal statutes and federal regulations prohibiting discrimination. These include, but are not limited to, the following:

- i. 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;
- ii. 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;
- iii. Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794), which prohibits discrimination on the basis of disability under any program or activity receiving federal financial assistance;
- iv. The Age Discrimination Act of 1975, as amended (42 U.S.C. §§ 6101 et seq.), and Treasury's implementing regulations at 31 C.F.R. Part 23, which prohibit discrimination on the basis of age within programs or activities receiving federal financial assistance; and
- v. Title II of the Americans with Disabilities Act of 1990, as amended (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.

¹ 22 C.F.R. § 22.3 defines "program" and "activity" as all operations of an entity, including local governments, that receive Federal financial assistance, and the departments, agencies, or special purpose districts of the local governments to which Federal financial assistance is distributed. "Federal financial assistance" includes, among other things, grants and loans of federal funds. "Facility" includes all or any part of structures, equipment, or other real or personal property or interests therein, and the provision of facilities includes the construction, expansion, renovation, remodeling, alteration, or acquisition of facilities.

II. Discriminatory Practices Prohibited in the Administration of the ARP/CSLFRF Award

To ensure compliance with Title VII of the Civil Rights Act of 1964, and Title 31 Code of Federal Regulations, Part 22, the Civil Rights Restoration Act of 1987, and other pertinent nondiscrimination authorities, the Caswell County Local Government shall prohibit, at a minimum, the following practices in its administration of CSLFRF pursuant to the ARP/CSLFRF award:

1. Denying to a person any service, financial aid, or other program benefit without good cause;
2. Providing to a person any service, financial aid, or another benefit which is different in quantity or quality, or is provided in a different manner, from that provided to others under the program.
3. Subjecting a person to segregation or separate treatment in any matter related to the receipt of any service, financial aid, or other benefit under the program;
4. Restricting a person in the enjoyment of any advantages, privileges, or other benefits enjoyed by others receiving any service, financial aid, or other benefit under the program;
5. Treating a person differently from others in determining whether that person satisfies any admission, enrollment, quota, eligibility, membership, or other requirement or condition which persons must meet to be provided any service, financial aid, or other benefit provided under the program;
6. Implementing different standards, criteria, or other requirements for admission, enrollment, or participation in planning, advisory, contractual, or other integral activities to the program;
7. Adopting methods of administration which, directly or through contractual relationships, would defeat or substantially impair the accomplishment of effective nondiscrimination;
8. Selecting a site or location of facilities with the purpose or effect of excluding persons from, denying them the benefits of, subjecting them to discrimination, or with the purpose or effect of defeating or substantially impairing the accomplishment of the objectives of Title VI or related acts and regulations;
9. Discriminating against any person, either directly or through a contractual agreement, in any employment resulting from the program, a primary objective of which is to provide employment;
10. Committing acts of intimidation or retaliation, including threatening, coercing, or discriminating against any individual for the purpose of interfering with any right or privilege secured by any pertinent nondiscrimination law, or because an individual made a complaint, testified, assisted, or participated in an investigation, proceeding, or hearing.

III. Reporting & Enforcement

1. The Caswell County Local Government shall cooperate in any enforcement or compliance review activities by the Department of the Treasury. Enforcement may include investigation, arbitration, mediation, litigation, and monitoring of any settlement agreements that may result from these actions. The Caswell County Local Government shall comply with information requests, on-site compliance reviews, and reporting requirements.
2. The Caswell County Local Government shall maintain a complaint log and inform the Treasury of any complaints of discrimination on the grounds of race, color, or national origin (including limited English proficiency covered by Title VI of the Civil Rights Act of 1964 and implementing regulations and provide, upon request, a list of all such reviews or proceedings based on the complaint, whether pending or completed, including the outcome. The Caswell County Local Government shall inform the Treasury if it has received no complaints under Title VI.
3. Any person who believes they have been aggrieved by a discriminatory practice under Title VI has a right to file a formal complaint with the Treasury. Any such complaint must be in writing and filed with the Treasury's Title VI Coordinator within one hundred eighty (180) days following the date of the alleged discriminatory occurrence.
4. Any person who believes that because of that person's race, color, national origin, limited English proficiency, familial status, sex, age, religion, or disability that he/she/they have been discriminated against or unfairly treated by the Caswell County Local Government in violation of this policy should contact the following office within 180 days from the date of the alleged discriminatory occurrence:

Carla Smith, Clerk to the Board of Commissioners (336) 694-4193
144 Court Square, Yanceyville, NC 27379.

**ELIGIBLE PROJECT POLICY FOR THE EXPENDITURE OF AMERICAN RESCUE PLAN ACT OF 2021
CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS BY Caswell County Local
Government**

WHEREAS the Caswell County Local Government, 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 US 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; 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 [Assistance Listing](#); and

WHEREAS US Treasury has issued a [Compliance and Reporting Guidance v.2.1 \(November 15, 2021\)](#) dictating implementation of the ARP/CSLFRF award terms and compliance requirements; and

WHEREAS the Compliance and Reporting Guidance states on page 6 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 [Local Government Name] hereby adopts and enacts the following Eligibility Determination Policy for ARP/CSLFRF funds.

Eligibility Determination Policy for American Rescue Plan Act of 2021 Coronavirus State and Local Fiscal Recovery Funds

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. It also outlines the procedures for determining how [Local Government Name] will spend its ARP/CSLFRF funds.

I. PERMISSIBLE USES OF ARP/CSLFRF FUNDING

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

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

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

II. PROHIBITED USES OF ARPA FUNDING

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

1. To make a deposit into a pension fund that constitutes an extraordinary payment of an accrued, unfunded liability (Note that routine contributions as part of a payroll obligation for an eligible project are allowed.);

2. To borrow money or make debt service payments;
3. To replenish rainy day funds or fund other financial reserves;
4. To satisfy an obligation arising from a settlement agreement, judgment, consent decree, or judicially confirmed debt restricting in a judicial, administrative, or regulatory proceeding (There is an exception to this prohibition if the settlement or judgment requires the [Local Government Name] 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 Caswell County Local Government, 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 procedures for ARP/CSLFRF project approvals. All Caswell County Local Government 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 [US Treasury Compliance and Reporting Guidance](#).)
 - c. Required justifications for applicable projects, according to the requirements in the Final Rule. Employees or any applicant seeking ARPA funding should review the [Final Rule](#) and [Final Rule Overview](#) prior to submitting a proposal.
 - d. Proposed budget, broken down by cost item, in accordance with the [Local Government Name]'s Allowable Cost Policy.
 - e. A project implementation plan and estimated implementation timeline (All ARP/CSLFRF funds must be fully obligated by December 31, 2024, and fully expended by December 31, 2026.)
2. Requests for funding must be submitted to Melissa Williamson, Deputy County Manager for approval. All requests will be reviewed by County Management for ARP/CSLFRF compliance and by Finance Director or Deputy Finance Director for allowable costs and other financial review.
3. No ARP/CSLFRF may be obligated or expended before final written approval by Bryan Miller, County Manager. The Board of Commissioners must appropriate funds by function before any award is made.

4. If a proposal does not meet the required criteria, it will be returned to the requesting party for revision and resubmittal.
5. Following approval, employees responsible for implementing the project must conform actual obligations and expenditures to the pre-approved project budget. Changes in project budgets must be approved by the Deputy County Manager and may require a budget amendment before proceeding. Any delay in the projected project completion date shall be communicated to both the Deputy County manager and the Deputy Finance Director immediately.
6. The Deputy County Manger must collect and document required information for each EC, for purposes of completing the required Project and Expenditure reports.
7. Caswell County Finance Director must maintain written project requests and approvals, all supporting documentation, and financial information at least until December 31, 2031.

**Record Retention Policy: Documents Created or Maintained Pursuant to the
ARP/CSLFRF Award**

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

It is the policy of the Caswell County Local Government to follow Treasury’s record retention requirements as it expends CSLFRF pursuant to the APR/CSLFRF award. Accordingly, the Caswell County Local Government agrees to the following:

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

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

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

- Financial statements and accounting records evidencing expenditures of CSLFRF for eligible projects, programs, or activities.

- Documentation of rationale to support a particular expenditure of CSLFRF (e.g., expenditure constitutes a general government service);
- Documentation of administrative costs charged to the ARP/CSLFRF award;
- Procurement documents evidencing the significant history of a procurement, including, at a minimum, the rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for contract cost or price;
- Subaward agreements and documentation of subrecipient monitoring;
- Documentation evidencing compliance with the Uniform Guidance property management standards set forth in 2 C.F.R. §§ 200.310-316 and 200.329;
- Personnel and payroll records for full-time and part-time employees compensated with CSLFRF, including time and effort reports; and
- Indirect cost rate proposals

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

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

The Deputy County Manager is responsible for identifying the documents that Caswell County Local Government must or should retain and arrange for the proper storage and retrieval of records. The Caswell County Manager shall also ensure that all personnel subject to the terms of this policy are aware of the record retention requirements set forth herein.

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

Questions About the Policy: Any questions about this policy should be referred to Melissa Williamson, (336) 694-1424 x 2 mwilliamson@caswellcountync.gov, who is in charge of administering, enforcing, and updating this policy.

POLICY FOR ALLOWABLE COSTS AND COST PRINCIPLES FOR EXPENDITURE OF AMERICAN RESCUE PLAN ACT CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS BY NORTH CAROLINA LOCAL GOVERNMENTS

WHEREAS the Caswell County Local Government, 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 [Assistance Listing](#); 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 where 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. Salaries and Expenses: 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 in order 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 Caswell County Local Government hereby adopts and enacts the following UG Allowable Costs and Cost Principles Policy for the expenditure of ARP/CSLFRF funds.

Caswell County Local Government Allowable Costs and Costs Principles Policy

I. ALLOWABLE COSTS AND COSTS PRINCIPLES POLICY OVERVIEW

[Title 2 U.S. Code of Federal Regulations Part 200](#), 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).

Caswell County Local Government 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 the Caswell County Board of Commissioners, County Management Staff, and County Finance Staff 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 Caswell County Deputy County Manager. 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 Caswell County Local Government 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 Caswell County Local Government, its employees, the public at large, and the federal government.
- Whether Caswell County Local Government 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 Caswell County Local Government.**
6. **Be accorded consistent treatment.** A cost MAY NOT be assigned to a federal award as a direct cost and also 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 UGG.**
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 UGG examines the allowability of fifty-five (55) specific cost items (commonly referred to as Selected Items of Cost) at 2 CFR § 200.420-.475.

County Management responsible for determining cost allowability must be familiar with the Selected Items of Cost. The Caswell County Local Government must follow the applicable regulations when charging these specific expenditures to the ARP/CSLFRF grant. Finance 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, Caswell County Local Government regulations, and program-specific rules may deem a cost as unallowable. County Management and Finance 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.

Direct costs 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.

Indirect costs 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 Caswell County Local Government 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.

V. 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 THAT EXPENDITURES OF ARP/CSLFRF FUNDS IN THE REVENUE REPLACEMENT CATEGORY 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.

VI. COST ALLOWABILITY REVIEW PROCESS

PREAPPROVAL COST ALLOWABILITY REVIEW

Before an ARP/CSLFRF-funded project is authorized, County Management and Finance Staff 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 County Management and Finance Staff 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, County Management and Finance Staff must review estimated costs for specific allowable cost requirements, budget parameters, indirect rates, fringe benefit rates, and those activities/costs that require pre-approval by the US Treasury
- If a proposed project includes a request for an unallowable cost, the County Management 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 County Management and Finance Staff, 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 Finance Director 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 Finance Director will return the invoice to the project manager and/or vendor, contractor, or subrecipient for correction.
- The Finance Director 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 Finance Director must proceed through the local government's normal disbursement process.

- If any cost item is deemed unallowable, the Finance Director 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. County Management may in their 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. Caswell County Local Government's governing board must approve any allocation of other funds for this purpose.
- The Deputy Finance Director must retain appropriate documentation of budgeted cost items per project and actual obligations and expenditures of cost items per project.

VII. 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 UGG 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	2 CFR § 200.435	Allowable with restrictions

infringements		
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 costs, 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 allowabilities 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



CASWELL COUNTY LOCAL GOVERNMENT

RESOLUTION BY THE CASWELL COUNTY BOARD OF COUNTY COMMISSIONERS

BROADBAND RESOLUTION CASWELL COUNTY BROADBAND ACCESS

A RESOLUTION TO PARTNER WITH LUMENTO PROVIDE CERTAIN COUNTY FUNDS FROM THE AMERICAN RESCUE PLAN ACT OF 2021 TO PARTNER WITH LUMEN TO FUND THE CONSTRUCTION OF BROADBAND INFRASTRUCTURE IN CERTAIN AREAS OF CASWELL COUNTY

WHEREAS, Broadband service is vital to the economic development of Caswell County; *and*

WHEREAS, The American Rescue Plan Act (“ARPA”) provided funding to Caswell County, which can be used to promote broadband services; *and*

WHEREAS, LUMEN is a retail provider of communications services including the provision of broadband services to portions of Caswell County; *and*

WHEREAS, LUMEN intends to apply for a grant under the North Carolina Growing Rural Economies with Access to Technology Act (“GREAT Act”) to provide broadband services to identified unserved areas of Caswell County; *and*

WHEREAS, Caswell County supports the grant application of LUMEN; *and*

WHEREAS, if LUMEN is selected by the North Carolina Broadband Infrastructure Office to receive State Fiscal Recovery Funds for the Caswell County project, then Caswell County will contribute a portion of its ARPA funds, up to \$50,000 to support the project based on the total amount awarded by the state; *and*

WHEREAS, the infrastructure to be completed shall be owned and operated by LUMEN.

NOW THEREFORE BE IT RESOLVED BY THE CASWELL COUNTY BOARD OF COMMISSIONERS THAT:


1. Caswell County offers a partnership agreement to LUMEN for the expressed purpose of supporting LUMEN's GREAT Act application to construct fiber to the home broadband services for specified unserved areas of Caswell County as agreed upon by the County and LUMEN.
2. Should the GREAT grant application be successfully awarded to LUMEN, Caswell County shall contribute their match portion, up to \$50,000, from the County's ARPA funds to the project.
3. The broadband services and infrastructure related thereto shall be owned and operated by LUMEN.

Adopted this 18th day of April, 2022

Bryan S. Miller
County Manager



ATTEST:



Carla Smith, Clerk

(Seal)

