

March 13, 2023
Regular Session

The Biscoe Town Board of Commissioners met in a regular session on Monday, March 13, 2023, at 7:00 pm in the Municipal Building.

Board Members Present: Mayor Eddie Reynolds, Mayor Pro-tem Kay Kinch, Commissioner Barry Jackson, Commissioner Jay Patel, Commissioner Asbill, and Commissioner Lynthacum.

Members of Management Present: Town Manager Brandon Holland, Town Clerk Laura Morton, and Police Chief Armstrong.

Mayor Reynolds called the meeting at 7:00 pm and led the Pledge of Allegiance.

The Pledge of Allegiance to the American Flag was recited and a moment of silence was observed.

Conflict of Interest Statement

Town of Biscoe Code of Ethics provides those public officials and all employees be independent, impartial and responsible to the public; those governmental decisions and policy be made in proper channels of the governmental structure; that public office not be used for personal gain; and that the public have confidence in the integrity of its government. In recognition of these goals and in keeping with the ethical standards of conduct for town public officials and its employees, disclosure of interest in legislative action must be stated for the public record. The mayor or any member of the town council who has an interest in any official act or action before the council shall publicly disclose on the record of the council the nature and extent of such interest and shall withdraw from any consideration of the matter if excused by the council pursuant to G.S. 160A-75.

Agenda Adjustments & Approval

A motion was made by Commissioner Asbill, seconded by Commissioner Kinch, and so the motion carried unanimously to approve the agenda.

Ayes: 5; No: 0.

Consent Agenda

A motion was made by Commissioner Jackson, seconded by Commissioner Patel, and so the motion carried unanimously to approve the following consent agenda items contingent upon the corrections made to the minutes:

- a. March 2023 Monthly Financial Report
- b. Approval of Resolution by the Montgomery County Board of Education Supporting Local Control of School Calendars
- c. Approval of Amended Board Rules of Procedures

Ayes: 5; No: 0.

Public Forum

No one spoke during the public forum.

Presentation of the Police Department Assessment

NC Police Chief's Association representatives presented the Biscoe Police Department Assessment. They spoke on three levels: Core Training, Succession Planning, and Recruitment & Retention.

Level One

High Liability Policy Review/Revision

The Biscoe Police Department currently has in place policies in the areas of Use of Force, Vehicle Pursuits, Mental Health Response, and CEW (Taser). Upon review of these policies, the NCACP has made recommendations to revise existing policies to comply with best practices and in the ultimate objective of agency accreditation.

Evidence Policy and Practices

The evidence function is one of the highest liability areas for any department. The NCACP made several recommendations in this report to improve the efficiency and organization of the evidence function.

Records Management and Storage

The NCACP found issues with respect to the storage of criminal case files and personnel records files. Attention is needed to ensure the security of those files is adequately maintained and managed in accordance with applicable record retention laws.

Level Two

Core Training

The NCACP recommends that the Biscoe Police Department develop a defined training program to include emerging topics in our profession. Agency training at different levels is identified in this report.

Promotional Testing and Policies

The BPD currently possesses a Promotional Policy. The NCACP has provided recommendations to revise the current policy with criteria and guidelines to meet best practices.

FTO Program and Policy

The BPD currently utilizes an FTO Policy/Program that meets minimum standards. The NCACP has made several recommendations that will improve the program to better prepare new Officers and safeguard the agency.

Level 3

Succession Planning

The NCACP recommends that steps should be taken to explore and develop a succession plan to ensure that sufficient numbers of well-qualified and trained individuals are ready for promotions, continuity of operations, and continued progress within the department.

Strategic Plan

Although the Town of Biscoe currently utilizes a Strategic Plan, the BPD does not maintain its own. The NCACP can assist the Police Department in identifying issues and developing a Strategic Plan to meet the needs and demands of the agency, its Officers, and the community as a whole.

Agency Accreditation

Accreditation is the single best method of ensuring an agency adheres to a specific set of established best practice standards. The NCACP recommends that the BPD commit to becoming a state accredited agency by enrolling in the North Carolina Law Enforcement Accreditation Program when made available.

Summary

These are some of the most pressing issues identified during our assessment. There is a great deal of support within the department's executive leadership personnel and positions. Officers generally feel that their leaders care about their well being and there is a general sense of pride of duty. As the premier group in the state engaged in promoting professionalism in law enforcement, the NCACP is deeply committed to the success of the Biscoe Police Department.

Lastly, the NCACP hopes this report will be utilized as a road map to help strengthen the professionalism, respect, and pride in the Biscoe Police Department. Please know, the NCACP will be a partner in this endeavor always.

Approval to Move Powell Bill Account to NCCMT

Town Clerk Laura Morton asked the Board for approval to move Powell Bill funds from Fidelity Bank to NCCMT. NCCMT rates are higher than Fidelity Bank. Morton said she had asked Fidelity Bank if they could look at their rates and offer better rates for the Town and they said no. She also stated that First Bank Branch Manager contacted Town Manager Holland regarding the Stimulus Funds being moved from First bank to NCCMT. First Bank matched NCCMT rates so the money was not transferred to NCCMT.

In a motion made by Commissioner Patel, seconded by Commissioner Asbill, and so the motion carried unanimously to move all Town Funds to First Bank for better rates.

Board & Staff Reports

Parks & Recreation Director Delana Cagle updated the Board on upcoming events.

Police Chief Shane Armstrong announced a Bicycle Rodeo and Prescription Drug Take Back event coming up in April.

Public Works Director Sam Stewart said there is a major water leak on 24/27 they will be working on this week.

Commissioner Patel thanked Delana Cagle for all of her hard work. He said the Board appreciates you.

Commissioner Kinch said she echoed what Commissioner Patel said. She also thanked the Police Department for more patrolling on Bruton Street.

Mayor Reynolds thanked all staff for their hard work.

Closed Session – Personnel – NCGL 143-318-11 (a) (6)

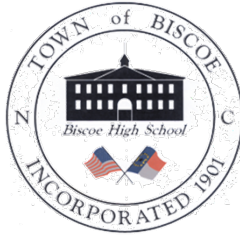
A motion was made by Commissioner Patel, seconded by Mayor Pro-tem Kinch, and so the motion carried unanimously to go into Closed Session for personnel (Pursuant to NCGS 143-318.11 (a) (6)).

Ayes: 5; No: 0.

The Board returned about of closed session with nothing to report.

Adjournment

A motion was made by Commissioner Lynthacum, seconded by Commissioner Patel, and so the motion carried unanimously to adjourn the meeting.



William E. Reynolds, Mayor

Laura B Morton, MMC, NCCMC Town Clerk

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

* * * * *

I. **Scope of Policy**

- a. **Purpose of Policy.** This Conflict of Interest Policy (“Policy”) establishes conflict of interest standards that (1) apply when the Town of Biscoe (the “Town”) enters into a Contract (as defined in Section II 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 Section II: Any capitalized term used in this Policy but not defined in this Section II 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 Board of Commissioners 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.
- l. *"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 Section I hereof.

III. **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 III.
 - i. G.S. § 14-234(a)(1). 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. G.S. § 14-234.3. 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. G.S. § 14-234.1. 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. Apparent Conflict of Interest. An apparent conflict of interest shall exist where a real conflict of interest may not exist under Section IV(b)(i)(1), 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. Identification and Management of Conflicts of Interest.

1. Duty to Disclose and Disclosure Forms

a. Each Covered Individual expected to be or actually involved in the selection, award, or administration of a Contract or Subaward has an ongoing duty to disclose potential real or apparent conflicts of interest arising under this Policy.

b. If the value of a proposed Contract or Subaward exceeds \$25,000, the Finance Officer 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 Finance Officer shall complete the appropriate Compliance Checklist contained in Exhibit B (for Contracts) and Exhibit D (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 Finance Officer identifies a potential real or apparent conflict of interest relating to a proposed Contract or Subaward, the Finance Officer 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 Finance Officer of a potential real or apparent conflict of interest, it may either:
 - i. accept the finding of the Finance Officer and direct the Finance Officer 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 Finance Officer and enter into the Contract or Subaward. In rejecting any finding of the Finance Officer, the Governing Board shall in writing document a justification supporting such rejection.
- b. If the Finance Officer 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 Finance Officer discovers that a real or apparent conflict of interest has arisen after the Town has entered into a Contract or Subaward, the Finance Officer 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 Finance Officer by

documenting in writing a justification supporting such rejection. If the Governing Board fails to reject the finding of the Finance Officer within 15 days of receipt, the Finance Officer 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.

IV. **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 Finance Officer 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 Finance Officer shall ensure that the legal agreement under which the Town makes a Subaward to a Subrecipient shall require such Subrecipient to disclose to the Finance Officer any potential real or apparent conflicts of interest that the Subrecipient identifies. Upon receipt of such disclosure, the Finance Officer shall disclose such information to the Federal awarding agency that funded the Subaward in accordance with that agency's disclosure policy.

V. **Gift Standards**

- a. **Federal Standard.** Subject to the exceptions set forth in Section VI(b), 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. Internal Reporting. A Covered Individual shall report any gift accepted under Section VI(b) to the Finance Officer. If required by regulation of a Federal awarding agency, the Finance Officer shall report such gifts to the Federal awarding agency or a Pass-Through Entity for which the Town is a Subrecipient.

VI. **Violations of Policy**

- a. Disciplinary Actions for Covered Individuals. 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. Disciplinary Actions for Contractors and Subcontractors. 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; or (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 of _____, 2023.

EXHIBIT A

Examples

<i>Potential Examples of a “Financial or Other Interest” in a Firm or Organization Considered for a Contract or Subaward</i>	<i>Potential Examples of a “Tangible Personal Benefit” From a Firm or Organization Considered for a Contract or Subaward</i>
Direct or indirect equity interest in a firm or organization considered for a Contract or Subaward, which may include: <ul style="list-style-type: none">- Stock in a corporation.- Membership interest in a limited liability company.- Partnership interest in a general or limited partnership.- Any right to control the firm or 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.	Opportunity to be employed by the firm considered for a contract, an affiliate of that firm, or any other firm with a relationship with the firm considered for a Contract. A position as a director or officer of the firm or organization, even if uncompensated.
Holder of any debt owed by a firm considered for a Contract or Subaward, which may include: <ul style="list-style-type: none">- 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).<ul style="list-style-type: none">o Holder of a judgment against the firm.	A referral of business from a firm considered for a Contract or Subaward.
Supplier or contractor to a firm or organization considered for a Contract or Subaward.	Political or social influence (e.g., a promise of appointment to an local office or position on a public board or private board).

EXHIBIT B

COMPLIANCE CHECKLIST FOR OVERSIGHT OF CONTRACT CONFLICTS OF INTEREST

The Town of Biscoe (the “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 the Finance Officer 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 Contracts (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 Contract exceeds \$25,000, 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		
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1	Identify the proposed Contract, counterparty, and the subject of the Contract.	<u>Name of Contract:</u> <hr/> <u>Name of Counterparty</u> <hr/> <u>Subject of Contract:</u> <hr/>		
2	Identify all individuals involved in the selection, award, or administration of the Contract. These individuals are “Covered Individuals”. Ensure that each Covered Individual has been provided with a copy of the Conflict of Interest Policy.			
	<u>Public Officials</u>	<u>Employees</u>	<u>Agents</u>	
3	Identify whether any Covered Individual has a (i) financial or other interest in, or (ii) tangible personal benefit from the firm considered for a Contract. [If the estimated Contract amount exceeds \$25,000, ensure that each Covered Individual files a Conflict of Interest Disclosure Form with the COI Point of Contact.]			
Any identified interest in Step 3 is a potential “real” conflict of interest.	<u>Public Officials</u>	<u>Employees</u>	<u>Agents</u>	
4	Identify whether any Related Party has a (i) financial or other interest in or (ii) tangible personal benefit from the firm considered from a Contract. If the estimated Contract amount exceeds \$25,000, ensure that each Covered Individual files a Conflict of Interest Disclosure Form with the COI Point of Contact.			
Any identified interest in Step 4 is a potential “real” conflict of interest.	<u>Public Officials – Related Party</u>	<u>Employees – Related Party</u>	<u>Agents – Related Party</u>	

5	Identify whether a reasonable person with knowledge of the relevant facts would find that an existing situation or relationship creates the <i>appearance</i> 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? If yes, explain.		
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 Biscoe (the "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 the Finance Officer 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 any other partner 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:

5. Will any other partner of yours receive any tangible personal benefit from a firm considered for this Contract?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

6. Does your current or potential employer (other than the Town) have a financial or other interest in a firm considered for this Contract or will such current or potential employer receive a tangible personal benefit from this Contract?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

7. Benefits to Employers

a. Does a current or potential employer (other than the Town) of any of your Immediate Family Members 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:

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 Contract?

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 Contract?

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 Contract?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

8. Does any existing situation or relationship create the appearance that you have a financial or other interest in a firm considered for this Contract or will receive a tangible personal benefit from a firm considered for this Contract?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

9. Does any existing situation or relationship create the appearance that any Immediate Family Member of yours has a financial or other interest in a firm considered for this Contract or will receive a tangible personal benefit from a firm considered for this Contract?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

10. Does any existing situation or relationship create the appearance that your current or potential employer (other than the Town) has a financial or other interest in a firm considered for this Contract or will receive a tangible personal benefit from a firm considered for this Contract?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

11. Does any existing situation or relationship create the appearance that any current or potential employer (other than the Town) of any of your Immediate Family Members has a financial or other interest in a firm considered for this Contract or will receive a tangible personal benefit from a firm considered for this Contract?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

12. Does any existing situation or relationship create the appearance that any current or potential employer (other than the Town) of any other partner has a financial or other interest in a firm considered for this Contract or will receive a tangible personal benefit from a firm considered for this Contract?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

* * * * *

Sign Name: _____
Print Name: _____
Name of Employer: _____

Job Title: _____

Date of Completion: _____

* * * * *

EXHIBIT D

COMPLIANCE CHECKLIST FOR SUBAWARD OVERSIGHT

The Town of Biscoe (the “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 the Finance Officer 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 \$25,000, 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 Subaward, Subrecipient, and the subject of the Subaward.	<u>Name of Contract:</u> <hr/> <u>Name of Counterparty</u> <hr/> <u>Subject of Subaward:</u> <hr/>		
2	Identify all individuals involved in the selection, award, or administration of the Subaward. These individuals are “Covered Individuals”. Ensure that each Covered Individual has been provided with a copy of the Conflict of Interest Policy.			
	<u>Public Officials</u>	<u>Employees</u>	<u>Agents</u>	
3	Identify whether any Covered Individual has a (i) financial or other interest in, or (ii) tangible personal benefit from the firm considered for a Subaward. [If the estimated Subaward amount exceeds \$10,000, ensure that each Covered Individual files a Conflict of Interest Disclosure Form with the COI Point of Contact.]			
Any identified interest in Step 3 is a potential “real” conflict of interest.	<u>Public Officials</u>	<u>Employees</u>	<u>Agents</u>	
4	Identify whether any Related Party has a (i) financial or other interest in or (ii) tangible personal benefit from the firm considered from a Subaward. If the estimated Subaward amount exceeds \$10,000, ensure that each Covered Individual files a Conflict of Interest Disclosure Form with the COI Point of Contact.]			
Any identified interest in Step 4 is a potential “real” conflict of interest.	<u>Public Officials – Related Party</u>	<u>Employees – Related Party</u>	<u>Agents – Related Party</u>	

5	Identify whether a reasonable person with knowledge of the relevant facts would find that an existing situation or relationship creates the <i>appearance</i> 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 Subaward? If yes, explain.		
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 E
SUBAWARD CONFLICT OF INTEREST DISCLOSURE FORM
FOR OFFICIALS, EMPLOYEES, AND AGENTS

The Town of Biscoe (the “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 the Finance Officer 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 subaward: _____ (the “Subaward”). 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 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 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 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 partner of yours receive any tangible personal benefit from a firm considered for this Subaward?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

6. Does your current or potential employer (other than the Town) have a financial or other interest in a firm considered for this Subaward or will such current or potential employer receive a tangible personal benefit from this Subaward?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

7. Benefits to Employers

a. Does a current or potential employer (other than the Town) of any of your Immediate Family Members 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:

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?

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:

8. 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:

9. Does any existing situation or relationship create the appearance 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?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

10. Does any existing situation or relationship create the appearance that your current or potential employer (other than the Town) 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?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

11. Does any existing situation or relationship create the appearance that any current or potential employer (other than the Town) of any of your Immediate Family Members 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?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

12. Does any existing situation or relationship create the appearance that any current or potential employer (other than the Town) of any other partner 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?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

* * * * *

Sign Name: _____
Print Name: _____
Name of Employer: _____

Job Title: _____
Date of Completion: _____

* * * * *

Recitals

WHEREAS, the Town of Biscoe (the “Town”) 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 Town 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 Town 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 Town of Biscoe 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 Town, including programs or activities that are funded in whole or part, with Coronavirus State and Local Fiscal Recovery Funds (“CSLFRF”), which the Town 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 Town shall ensure that each “activity,” “facility,” or “program” 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.

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 Town 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 Town 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 Town shall comply with information requests, on-site compliance reviews, and reporting requirements.
2. The Town 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 Town 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 Town in violation of this policy should contact the following office within 180 days from the date of the alleged discriminatory occurrence:

Town of Biscoe
Attn: Town Clerk
110 W. Main St.
Biscoe, NC 27209
(910) 428-4112

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 Town of Biscoe (the "Town") to follow Treasury's record retention requirements as it expends CSLFRF pursuant to the APR/CSLFRF award. Accordingly, the Town 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 Town’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 rational 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: The Town’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 Town, 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 Town 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 Town Clerk is responsible for identifying the documents that the Town must or should retain and arrange for the proper storage and retrieval of records. The Town Clerk 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 Town 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 Town Manager. The Town 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 Laura Morton, Town Clerk, (910) 428-4112, laura.morton@townofbiscoe.com, who is in charge of administering, enforcing, and updating this policy.

SAMPLE RESOLUTION FOR ALLOWABLE COSTS AND COST PRINCIPLES FOR EXPENDITURE OF AMERICAN RESCUE PLAN ACT CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS BY THE TOWN OF BISCOE

WHEREAS, the Town of Biscoe (the “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 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 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 reasonable 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 the Town of Biscoe hereby adopts and enacts the following US Cost Principles Policy for the expenditure of ARP/CSLFRF funds.

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).

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 the Finance Officer and Town Manager, 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 the Finance Officer or Town 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.

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 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 the Town, its employees, the public at large, and the federal government.
 - Whether the Town 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.**
- 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.**

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.

Town finance personnel 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. Town 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 ordinances, and program-specific rules may deem a cost as unallowable, and Town finance personnel must follow those non-federal rules as well.

Exhibit A identifies and summarizes the Selected Items of Cost.

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 Town 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.

§ 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.

COST ALLOWABILITY REVIEW PROCESS

PREAPPROVAL COST ALLOWABILITY REVIEW

Before an ARP/CSLFRF-funded project is authorized, the Finance 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 Finance 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, if required, the Finance Officer 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 Finance 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 Finance Officer, 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 Officer 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 Officer will return the invoice to the project manager and/or vendor, contractor, or subrecipient for correction.
- The Finance Officer 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 Officer must proceed through the local government’s normal disbursement process.
- If any cost item is deemed unallowable, the Finance Officer 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 Finance Officer 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 Town 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 Officer must retain appropriate documentation of budgeted cost items per project and actual obligations and expenditures of cost items per project.

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 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 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	2 CFR § 200.465	Allowable with restrictions

equipment		
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

CASH RECEIPTS NARRATIVE

Town Hall Mail

Mail is delivered to the Town Hall physical address. Customer Service Representative goes through the mail then distributes it to other departments.

All checks received (other than water/sewer payments) are stamped and dated the date received in the mail. The check and a copy of the check are taken to the Clerk's Office for review. The Town Clerk reviews the check and returns it to the Customer Service Representative or Office Assistant to post in Payment Central. Once it is posted, a receipt is copied and attached to the copy of the check and given to the Town Clerk to name and prepare for scanning.

The check is added to the drawer in which the Customer Service Representative or Office Assistant reconciles each day prior to Town Hall closing for the evening. When the drawer is reconciled a spreadsheet is completed and given to the Town Clerk for review and confirmation of deposit in the bank verified. Once the daily deposit is taken to the bank the spreadsheet and drawer reconciliation paperwork is given to the Deputy Clerk to post in General Ledger.

Police Department Mail

Mail is delivered to the Police Department physical address. The Records Clerk goes through the mail then distributes to other offices.

Checks are then brought to the Clerk's Office for review. The Town Clerk reviews the check, makes a copy of the check, and returns it to the Customer Service Representative or Office Assistant to post in Payment Central. Once it is posted, a receipt is given to the Clerk who then attaches it to the copy of the check.

The check is added to the drawer in which the Customer Service Representative or Office Assistant reconciles each day prior to Town Hall closing for the evening.

New Policy (enacted July 2015)

Biscoe Police Department charges for Fingerprints and Accident Reports. The fee schedule is as follows:

- Fingerprint Cards: \$10.00 per card
- Police Accident Reports: \$5.00 per copy
- Fire Reports: \$5.00 (new 2023)

Citizens needing either service are required to pay for these items at the Biscoe Town Hall, retain the receipt and take it to the Police Department. Must show ID and receipt from Town Hall.

If an insurance company requests a copy of the accident reports they must send the \$5.00 (per copy) before the report will be released. The Records Clerk turns in the check to the Customer Service Representative or Office Assistant, and it is posted in Payment Central. Once it is posted, a receipt is given to the Records Clerk.

The check is added to the drawer in which the Customer Service Representative or Office Assistant reconciles each day prior to Town Hall closing for the evening.

SPECIAL POLICE DEPARTMENT NOTE: When an employee leaves the Biscoe Police Department, the Police Chief revokes their authorization to login into Police Department Programs (Police-Pak). The Chief also revokes their ability to access other state programs like C-JIN, E-Citation, CJLEADS, NCAWARE. They still keep their certifications for these programs, but another agency has to add them. The Chief tries to have this done the day they leave or at least by the first business day. If officers are still on reserve status their privileges are still active.

Picnic Shelter Rental/Pool Rental Monies

When a citizen comes in to reserve the picnic shelter or pool, Customer Service Representative or Office Assistant enters it into Payment Central and gives a receipt to the citizen.

The check is added to the drawer in which the Customer Service Representative or Office Assistant reconciles each day prior to Town Hall closing for the evening.

Completed paperwork for Park Rentals is kept on file in the Deputy Clerks' Office. Files are kept in accordance with NC Cultural Resources Records Retention and Disposition Schedule.

Cemetery Revenues

When a citizen comes in to purchase a Cemetery Plot at the Biscoe Cemetery, they choose a plot. Customer Service Representative finds out if they are in town or out of town. Plots for in-town residents are \$300 and Plots for out-of-town residents are \$700. There is a fee of \$30 to record the deed added to the cost. Their cash/check payment is entered into Payment Central in FMS, and a copy of the receipt and check are made. The citizen receives a receipt. The Customer Service Representative types up the deed and then asks the Town Clerk and Mayor to sign. Once signed a check is requested to record the deed. The AP checking process is then followed. The check is taken to the Register of Deeds and the deed is recorded and then sent to the Cemetery Plot Owner.

Zoning Revenues

When a citizen comes in for need of a Zoning permit, their cash/check payment is entered into Payment Central in FMS, a copy of the receipt and check are made. The citizen receives a receipt.

Pool Admission & Concession Monies

Every summer, the Town of Biscoe Parks and Recreation Department runs the Biscoe Pool. Each person entering the pool signs in and pays the \$2 admission fee. The pool is also open on Thursday evenings for night swim and admission is \$1.

There is also a concession area operated at the pool. One person is assigned the duty of collecting admission and concession monies. Pool Admission Fees and Concession Fees are included on the Town of Biscoe Fee List.

When the pool closes, the Pool Director or designee will close out the day. They close out the cash register and balance the register. The total petty cash in the drawer is \$150. After reconciliation, the deposit must equal the register tape. Once the drawer is balanced, the attendant must count the drawer to assure there is \$150 left in petty cash. If not, the missing money must be added by the attendant.

Once the deposit is completed, the money, cash register receipt, and deposit sheet will be placed into a bank bag. Once completed, the Pool Director drops the bank bag in the night deposit box located inside of Town Hall.

On the next business day, the Customer Service Representative or Office Assistant then reconciles the money received with the sheet completed by the concession attendant.

After reconciling the deposit, the Customer Service Representative or Office Assistant then places the pool money in the drawer and enters it into Payment Central.

Biscoe's Park Director arranges discounts for larger groups.

As an added benefit, Town of Biscoe employees and their immediate families pay no admission to the pool and a discounted rate for parties.

Electronic Deposits (NC EPAY)

The Town Clerk receives monthly emails from the NC Department of Revenue stating the amount of the monthly electronic deposit (i.e. Solid Waste Disposal, Utility Franchise, Sales Tax, etc.)

Once received, the Town Clerk enters the amount in Cash Receipts and are then printed and checked and paperwork is placed in the “to be scanned” file.

BUDGET AMENDMENT PROCESS NARRATIVE

The Town of Biscoe uses departmental accounting. Budget Amendments are only necessary when a purchase needs to be made that will affect the departmental budget line.

If it is determined that a budget amendment is necessary, the Town Clerk places the Budget Amendment request on the Commissioners’ Agenda for approval. All budget amendments that would raise the department budget is approved by the Town Board.

Once the Budget Amendment is approved, the Town Clerk enters the Budget Amendment in the General Journal, prints out report and updates the entry and files the report. Town Manager’s signature is required. The paperwork is then prepared for scanning.

(Note: Budgetary lines, within departments, are utilized in future budget planning.)

INVENTORY NARRATIVE (WATER AND SEWER INVENTORY)

The Town Deputy Clerk keeps an updated listing for the annual Water & Sewer Inventory; a list is then printed and given to the Town’s Assistant Public Works Director.

The Assistant Public Works Director along with members of his staff use the listing to conduct the annual inventory on June 30th of each year. Once it is completed, the Assistant Public Works Director returns the listing to the Deputy Clerk to update. Once she has completed updating the listing, the list is then given to the Town Clerk for the auditing process.

CAPITAL ASSET PURCHASES AND DISPOSALS NARRATIVE

Department Heads present their capital asset requests during budget meetings. These requests are based on the Town’s Capital Improvement Plan. The requests are considered by the Board. Once approved (with the budget), it is the department head’s responsibility to purchase the asset, comparing costs, staying within the budget and following NCGS for bidding requirements.

The following was implemented as of July 1, 2011:

On July 9, 2007, the Town Board of Commissioners raised the Fixed Asset threshold amount from \$1,000 to \$3,000.

Once the asset is received and paid for, a copy of the check and invoice is made and an asset # is assigned and affixed to the asset.

Disposal

The sale of any single item valuing more than \$5,000 will be brought to the Mayor's attention and the disposal of surplus property will be governed by Brandon Holland who will follow NCGS guidelines for sale of surplus property. *(Note: To Date, all disposition has been presented to the Town Board prior to posting items for sale.)*

ACCOUNTS PAYABLE NARRATIVE

Customer Service Representative or Office Assistant goes through the mail daily. All invoices received are stamped and dated the date received and copied if necessary. Customer Service Representative reviews the invoices, separates, and the Office Assistant distributes to department heads in their respective folders/boxes.

Each Department Head is responsible for signing and placing the appropriate budget code on the invoice. Once an invoice is signed, it is returned to the Customer Service Representative.

The Customer Service Representative then goes through and writes the vendor code on the invoice as well as breaks out any sales tax on the invoice. Once these steps are completed, the Customer Service Representative enters the invoice into the software program (FMS – Southern Software). The Customer Service Representative runs one check run per week, typically on Wednesday thru Thursday.

After current week's invoices are entered; the Customer Service Representative prints an invoice register and posts all invoices. The next step is to print open payables and select invoices for posting. Once this is complete a pre-audit report is printed. At this point, checks are printed.

Once the checks are printed, the Customer Service Representative then gives them to the Deputy Clerk for review and signs the first signature. The Deputy Clerk or Customer Service Representative gives the checks to the Town Manager/Mayor/Mayor Pro-tem for review and signs the second signature. In the absence of the Town Manager, the Mayor signs the second signature. *(Note: The Town Clerk only signs checks in emergency situations).*

Once the checks have two signatures, the Customer Service Representative then matches the invoices with the stubs and places the remittance copy with the check and mails the check. She then gives all invoices in the AP Batch to the Deputy Clerk for review; the Deputy Clerk then places it on the Mayor's desk for review. The Customer Service Representative gives the check stubs and invoices to the Deputy Clerk to review. Once reviewed & approved, she then stamps the checks "Approved the Mailing".

A check register is printed, and a transfer check is written for the amount of the check register (which has the breakdown of each fund). (We wait for a couple weeks to do a transfer because the bank penalizes the Town if too many transfers are made during a one-month period) The Customer Service Representative then writes a check out of the First Bank Money Market Checking Account (handwritten

check). The Town Manager and Deputy Town Clerk or Mayor signs the check, and the Customer Service Representative takes the check(s) to the bank.

The Town Clerk and Mayor review all weekly check run batches.

The Town Clerk reconciles the bank statements for all accounts and provides a Financial Report to the Board at their monthly meeting for their approval.

PAYROLL NARRATIVE (CASH DISBURSEMENT NARRATIVE)

In July of 2010, the Town of Biscoe brought the Payroll Process in house. Town employees are paid bi-weekly.

Department Heads individually calculate hours and turn them in to the Deputy Clerk.

The Deputy Clerk begins the payroll process by entering salaries or hours worked.

A payroll register and other reports are then printed and reviewed for accuracy. If everything is correct, the Deputy Clerk goes through the Direct Deposit steps in the Town's FMS – Financial Software. The Town Manager signs the Payroll Register, approving the Payroll batch.

An online banking transfer is done monthly.

Beginning March 2017, the Town began emailing check stubs.

The Deputy Clerk then pays Federal and State Taxes online based on amounts on reports printed during the payroll process.

State Retirement (Orbit) and 401K payments are also made online based on amounts on reports printed during the payroll process. Once the payments are made, the Deputy Clerk goes into FMS (Southern Software) under General Ledger menu and completes the Cash Disbursement. Reports are printed out and viewed. Then the disbursement entry is updated. Both Orbit and 401K payments/reports are now done electronically. (April 2013).

The Payroll Process is then updated, checks stubs are then emailed to employees, and vacation and sick time are accrued during posting. The Town Manager signs all documents related to payroll.

Appropriate journal entries/cash disbursements are made monthly. (i.e. transfer to payroll account, payment of taxes, etc.)

**PROPERTY TAX COLLECTIONS
AND RECONCILIATIONS NARRATIVE**

Montgomery County Tax Department collects DMV and Property Tax for the Town of Biscoe. The Town Clerk receives an email from Montgomery County Finance on the amount of the check to be received. She then forwards the email to the Deputy Clerk and Customer Service Representative. Once the check is received, The Customer Service Representative then prints the report. Once received, the Customer Service Representative disburses the check to the proper accounts in Payment Central (i.e. DMV, property tax, interest collected, refund, etc).

The check is then entered into Payment Central by the Customer Service Representative and the receipt is attached to the spreadsheet and then the paperwork is filed in the Clerk’s Office.

The Town Clerk reconciles the bank statements for all accounts.

PROCUREMENT/CREDIT CARDS NARRATIVE

First Bank Visa Card

The Town Manager, Town Clerk, Deputy Clerk, Police Chief, Public Works Director, the Parks Director, and the Fire Chief each have a First Bank credit card with their name printed on it under the Town of Biscoe.

Limits are as follows:

Town Manager	\$5,000
Town Clerk	\$2,700
Police Chief	\$2,000
Public Works Director	\$2,000
Fire Chief	\$2,000
Deputy Clerk	\$1,000
Parks & Rec Director	\$1,000
Town of Biscoe	\$3,500

Each cardholder is held personally responsible for items charged on the card. Once a charge is made, a copy of the receipt is brought to the Customer Service Representative's Office and filed in the folder with their name on it...until the statement for the credit card arrives. Each card has an individual statement.

The Town Clerk receives email notification stating the invoice is ready for payment. She then goes to the website and makes the payment. She prints out the statement and downloads a spreadsheet. She then gives it to the Customer Service Representative who matches each transaction with receipts. If there is a missing receipt, the Customer Service Representative asks the cardholder for the receipt. If the receipt has been lost, the Town Clerk then requests a signed written statement that is attached with the invoice. The Customer Service Representative returns it to the Town Clerk who goes through the spreadsheet and codes (breaks out sales tax) and posts the payment to general ledger in FMS.

Wal-mart Community Card

The Parks & Recreation Director/Concessions Manager, Town Clerk, Deputy Clerk, and Public Works Director hold a Wal-mart Community Card.

Once a charge is made, the receipt is brought to the Town Clerk's Office and filed until the statement for the credit card arrives. Once the statement arrives, the Customer Service Representative disburses the statement to the proper department signature and to be coded. They are responsible for signing and placing the appropriate budget code on the invoice. Once an invoice is signed, it is returned to the Customer Service Representative.

The Customer Service Representative then goes through and writes the vendor code on the invoice as well as breaks out any sales tax on the invoice. Once these steps are completed, the Customer Service Representative enters the invoice into the software program (FMS – Southern Software) for payment.

****Note:** Each purchase is broken out on the invoice.

WATER AND SEWER BILLING NARRATIVE

New Account

When a citizen comes in to open a new account, they are required to provide a Lease Agreement or rent receipt or proof of ownership and a US Government picture ID (not expired) and pay an account fee (this is not a deposit that is refunded). The customer completes the application form and a handwritten receipt from the Town of Biscoe receipt book is given to them (if paid by cash/check) or printed receipt if paid by credit card for the \$75 connection fee/residential for renters and \$50 for property owners or \$75 connection fee/commercial.

The Customer Service Representative sets up the new account in FMS (Southern Software) for the next billing cycle. The next working day, the Customer Service Representative enters the connection fee into Utility Billing in Deposit Transactions.

New Water or Sewer taps that are requested out of Town limits must be approved by the Town Board. The Town Board has required properties be in city limits to receive water or sewer taps.

Water/Sewer Payments

When a citizen comes in to pay their monthly water bill, the Customer Service Representative or Office Assistant collects the money and enters it into the Payment Transaction Menu of FMS. Bills \$10 and over are validated with a counterfeit pen.

The account is brought up on the screen, verified for accuracy, and amount paid is entered. The transaction is saved and a receipt is printed out with the amount of change due back. If change is due, it is given back to the customer along with their receipt of payment.

The Customer Service Representative or Office Assistant reconciles the drawer each afternoon prior to closing. A total of \$200 is kept in the drawer to make change from day to day. The Customer Service Representative or Office Assistant takes the deposit to the bank daily. To ensure segregation of duties if the Customer Service Representative does the drawer the office assistant takes the deposit to the bank and vice versa. The Town Clerk does not take payments or take the deposit to the bank. If we are low in staff, the Police Department takes the deposit. Each deposit is numbered (UBD #1, UBD #2). The numbering starts over July 1 of each year for the new budget.

Upon return to Town Hall from the bank, the Customer Service Representative or Office Assistant scans the deposit slip to the Deputy Clerk and the GL posting printed from FMS. The Deputy Town Clerk then enters the deposit into Bank Reconciliation in FMS.

On-line Payments

When an Online Payments are made the Customer Service Representative logs into FMS under the lockbox and posts the payments the morning after the day they are made. The email is printed and entered into Payment Central of Southern Software. At the end of the day a Summary Report is emailed to the Deputy Clerk from Invoice Cloud. This Summary Report is compared to the Payment Central Journal and then the Session is closed out in Southern Software. The reports are then filed into Payment Central Journal File and the GL Report is entered into Southern Software as if a Bank Deposit had been made and entered. They are numbered as UBD # ICOP ___ and the Batch ID # entered as well.

Night Deposit Box

The Town's Customer Service Representative or an Office Assistant checks the night box daily. If payments have been left in the night box, the Office Assistant records them in the Night Deposit Daily Receipt Book.

The Customer Service Representative or Office Assistant then enters the payments into FMS as follows: The account is brought up on the screen, verified for accuracy, and amount paid is entered. The transaction is saved.

Credit Card Payments

Credit Card Payments have the same process as cash and online payments.

Approved this 13th Day of February 2023.



William E. Reynolds, Mayor

Attest:

Laura B. Morton, MMC, NCCMC Town Clerk



“A Dream Worth Dreaming”

MAYOR

WILLIAM E.
REYNOLDS

COMMISSIONERS

KAY CAGLE
KINCH,
MAYOR PRO-
TEM

BARRY
JACKSON
DAVID ASBILL
JAY PATEL
KENNETH
LYNTHACUM

**TOWN
MANAGER**

BRANDON W.
HOLLAND

TOWN CLERK

LAURA B.
MORTON

TOWN OF BISCOE PURCHASING & BID REQUIREMENTS POLICY

PURPOSE

This purchasing and bid requirements policy is intended to establish a uniform policy and serve as a guide for all departments in obtaining supplies, materials, equipment, apparatus, and services. The Town of Biscoe’s purchasing and bidding program is based on the principal of competitive bidding. A valid reason must be provided and documented when competitive bidding is not sought and obtained. The practice of favoritism, whether to the seller or the user department, is not permissible.

The Town's purchasing and bidding requirements are governed by North Carolina General Statutes and, therefore, must seek competitive offers from qualified sources of supply unless the items can be obtained through existing contracts established by NC State Purchasing and Contracts Division. Whenever possible, the Town of Biscoe participates in the NC State Contracts. The Town's local purchasing and bidding requirements may cite provisions which are stricter in policy thresholds than the requirements of the applicable North Carolina General Statutes.

STATEMENT OF POLICY

The goals of the Town's purchasing and bidding program are

1. Any and all purchases and contracts that are made on behalf of the Town of Manteo must be for the use of the Town. Such purchases can only be made if an appropriation has been set up in the approved annual budget.
2. To comply with the legal and ethical requirements of public purchasing and procurement.
3. To provide Town departments the required goods, equipment, and services at the time and place needed and in the proper quantity and quality.

PURCHASING PROCEDURES – Supplies, Materials, Equipment, or Services

Less Than \$1500 - Such purchases are normally made at the Department level. A purchase order is needed for services, materials, supplies and equipment purchased that exceed \$1500.00 The amount for shipping and handling along with sales tax should be included on the purchase order. The Town Clerk/Finance Officer may not validate any purchase order unless sufficient unencumbered funds are available to pay at the time of purchase. A properly signed purchase order must *precede* the purchase. No invoice will be honored if the purchase order has not been issued and signed by the appropriate Department Head and Town/Clerk Finance Officer. The purchase orders will be pre-numbered for control purposes and should include descriptions of the items being purchased. Unauthorized purchases are classified as a personal expense, and therefore, will be paid by the employee. In the event that the Town/Clerk Finance Officer is not available, the purchase order can be signed by both the Department Head and the Town Manager. Under no circumstances may an order be split to stay under the \$500 threshold. The amount for shipping and handling along with sales tax should be included on the purchase order.

The following steps must be taken:

1. All Department Heads will read and understand this policy;
2. All employees involved in the purchasing process will become familiar with the procedures outlined in this policy;
3. This policy will be kept where it is easily accessible for reference;
4. All comments or clarifications of contents contained in this policy will be directed to the Town Manager or the Finance Officer.

Upon receipt of the item, the invoice must be submitted to the Deputy Town Clerk in a timely manner.

GENERAL RULES AND PROCEDURES FOR PURCHASING AND BIDDING

Note: all obligations evidenced by a contract or agreement, regardless of amount, must be certified as pre-audited by the Finance Officer.

Purchases of \$1,500.00 to \$29,999.99

All purchases between \$1,500.00 and \$29,999.99 (individually or in total) must be made with the use of a purchase order. The department wishing to make the purchase will prepare a purchase order and present it to the Finance Officer for approval. Town Board has given authority to the Town Manager to approve all contracts/purchases up to a maximum of \$29,999.99.

Informal Bidding Process

For all purchases, lease-purchases, and contracts above \$29,999.99 and below the state mandated thresholds for formal bidding prescribed by NCGS § 143-129, informal bids must be obtained. Notwithstanding, and consistent with an annual budget authorization, the Town Manager is authorized to renew or extend any service provider contract in effect as of the date of this policy as amended and determined by the Town Manager to be in the best interest of the Town. Only written informal proposals will be accepted. The purpose of public bidding is to obtain the best value for tax dollars, to provide fairness in contracting and prevent favoritism. Contracts will be awarded to the lowest responsible bidder, taking into consideration quality, performance and time. A Bid Form will be used for this process. Three (3) written proposals will be sought during the bidding process. In cases where available or appropriate vendors are limited, every effort will be made to obtain bids from at least two (2) vendors. In cases where the item or service is available from a single source, this information must be noted on the Bid Form. For any purchase, lease-purchase or contract cost not previously authorized by the Board in an annual budget appropriation, the Town Board must authorize the award of all bids over \$29,999.99. The Finance Officer will issue a purchase order to the chosen vendor and the Department Head will proceed with the purchase.

Formal Bidding Process

Expenditure of funds totaling or exceeding the state mandated thresholds for formal bidding prescribed by NCGS § 143-129, either for the purchase of apparatus, supplies, materials and equipment, or for construction or repair work, are required to be handled by the Formal Bid Process, and the bonding requirements of NCGS §44A-26 shall apply.

Note: Performance and payment bonds are required for contracts costing more than \$50,000 that are part of a project costing more than \$300,000.

The advertisement for bidders required by this section shall appear at a time where at least seven (7) full days shall lapse between the date on which the notice appears and the date of the opening of bids. The advertisement shall: (i) state the time and place where plans and specifications of proposed work or a complete description of the apparatus, supplies, materials, or equipment may be had; (ii) state the time and place for opening of the proposals; and (iii) reserve to the board or governing body the right to reject any or all proposals.

WHAT SHOULD BE ORDERED BY PURCHASE ORDERS

With the above statements in mind, there are a variety of exceptions to the Purchase Order requirement.

If an item is not listed, Departments should assume the Purchase Order process applies.

Purchases Not Requiring a Purchase Order:

1. Professional services (*accounting, legal, planning, engineering, architectural, etc.*)
2. Other services provided by a current contract (*waste collection, tank maintenance, etc.*)
3. Items or services that are procured from a vendor with whom the Town maintains a limited charge account for purchasing.
4. Advertising (*legal ads, etc.*).
5. Annual dues & memberships
6. Insurance premiums
7. Land purchases
8. Refunds
9. Utility services
10. Postage

Emergency Purchases

An emergency is defined as a sudden, urgent, usually unexpected occurrence or occasion requiring immediate action. When an emergency does arise, and can be rectified only by immediate purchase or rental of equipment, supplies, materials or services, the following procedures must be followed:

- A. Secure a purchase order from the Finance Officer or the Town Manager. If the emergency occurs when offices are closed, the department should proceed to acquire only the materials of services necessary to meet the emergency;
- B. On the next working day, the Department Head must submit a requisition to the Finance Officer with the following information:
 1. Nature of the Emergency;
 2. Itemized list of purchases made;
 3. Cost per item;
 4. Vendor's name and address;
 5. Account Number
 6. Authorizing signature of the Department Head
 7. Purchase Order Number – if one was given.
- C. The Finance Officer will prepare a confirming purchase order and send the requesting department a copy of the purchase order. The employee receiving the requested items should verify that the purchase order information is correct. The employee should also make sure that the vendor knows who to invoice and the correct address for billing. All invoices should be made out to the appropriate Town Department. Failure to make sure this information is passed on to the vendor could result in the misplacement of the invoice, causing late payment on the invoice and loss of any possible discount. No emergency purchase orders will be given unless it is an emergency as described above. North Carolina General Statutes govern this procedure. Written approval for disallowed emergency purchases will have to be obtained from the Town Manager, with overall approval resting with the Town Board.

Telephone Purchase Order Procedures

In certain emergency or special situations, the Finance Officer will issue a purchase order number over the telephone to the requesting department. In such cases, the requesting department will be required to submit a supporting requisition to the Finance Officer the next business day. The requisition is to include the vendor, complete item description, quantity, price, and the purchase order number that was issued.

Credit Cards

The credit cards are assigned to Department Heads but are under the control of the Finance Officer as each Department Head is responsible for the nature of all purchases made on the individual credit cards. All purchases in excess of \$100.00 made with the Town credit card must be preceded with a purchase order. When traveling out of town for training purposes, the employee may use the credit card for hotel stays, meals and for the purchase of fuel only, providing that pre-approval is obtained from the Town Manager or the Finance Officer. A purchase order must be filled out immediately upon return. A cash advance may be issued for the employee's cost of meals while out of town for training. Prior to departure, the employee may fill out a travel advance request form, and a check will be issued not to exceed \$50 per day for the length of the stay. The Department Head must approve purchases. Unauthorized purchases are a violation of this policy. If proper procedures are not followed, the employee may be personally liable for the payment.

Employee Authorization

All Town Employees that have authority to purchase items on behalf of the Town of Biscoe, must sign the *Employee Acknowledgement of Receipt of Policy*.

Approved this 13th day of November, 2018 and is effective immediately.

Amended this 11th day of April 2022 and is effective immediately.

Amended this 13th day of February 2023 and is effective immediately as required for the American Rescue Plan Act.

ELIGIBLE PROJECT POLICY FOR THE EXPENDITURE OF AMERICAN RESCUE PLAN ACT OF 2021 CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS BY THE TOWN OF BISCOE

WHEREAS, the Town of Biscoe 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 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, the 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 Town of Biscoe 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 the Town of Biscoe will spend its ARP/CSLFRF funds.

I. PERMISSIBLE USES OF ARP/CSLFRF FUNDING

The US Treasury issued its Final Rule regarding use of ARPA funds on January 6, 2022, effective as of April 1, 2022. The Final Rule identifies 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 Town of Biscoe 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 Biscoe, 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 [Local Government Name] 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 Town of Biscoe'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 the Town's Finance Officer for approval. All requests will be reviewed by the Finance Officer for ARP/CSLFRF compliance and by the Finance Officer for allowable costs and other financial review.
3. No ARP/CSLFRF may be obligated or expended before final written approval by the Finance Officer and Board Approval.
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 Finance Officer and may require a budget amendment before proceeding. Any delay in the projected project completion date shall be communicated to the Finance Officer immediately.
6. The Finance Officer must collect and document required information for each EC, for purposes of completing the required Project and Expenditure reports.
7. The Finance Officer must maintain written project requests and approvals, all supporting documentation, and financial information at least until December 31, 2031.