



TOWN OF KILL DEVIL HILLS

Land Where Flight Began

Resolution Establishing Eligible Project Policy and Records Retention Policy for the Expenditure of American Rescue Plan Act of 2021 Coronavirus State and Local Fiscal Recovery Funds

WHEREAS, the Town of Kill Devil Hills 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;

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 CSLFRF award constitute eligible uses of funds, and document determinations;

WHEREAS, the US Treasury has established records retention requirements for entities that expend CSLFRF pursuant to the APR/CSLFRF award; therefore, be it

RESOLVED, that the Kill Devil Hills Board of Commissioners hereby adopts and enacts the following Eligibility Determination Policy and Records Retention Policy for ARP/CSLFRF funds.

Adopted this _____ day of _____, 2022.

SEAL

Ben A. Sproul, Mayor

ATTEST:

James Michael O'Dell, Town Clerk



TOWN OF KILL DEVIL HILLS

Land Where Flight Began

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 Kill Devil Hills will spend its ARP/CSLFRF funds.

I. Permissible Uses of ARP/CSLFRF Funding

The US Treasury issued its Final Rule regarding use of ARP/CSLFRF funds on January 6, 2022. (The Final Rule is effective as of April 1, 2022. Until that date, a local government may proceed under the regulation promulgated by US Department of the Treasury in its Interim Final Rule or the Final Rule.) The Final Rule (and the Interim Final Rule) identify permissible uses of ARP/CSLFRF funds and certain limitations and process requirements. Local governments must allocate ARP/CSLFRF funds no later than December 31, 2024 and disburse all funding no later than December 31, 2026. Failure of an entity to expend all funds by December 31, 2026, will result in forfeiture of ARP/CSLFRF 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 ARP/CSLFRF 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 Kill Devil Hills 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 Kill Devil Hills, and any of its contractors or sub-recipients, may not expend any ARP/CSLFRF funds for these purposes.

III. Determination of Use

By adopting a grant project ordinance on April 27, 2022, the Board of Commissioners elected to take the standard allowance and expend the Town's ARP/CSLFRF funds on general government services. These funds were authorized and obligated for the provision of law enforcement services, as outlined in the attached Project Request and Eligibility Determination.

The Finance Director must collect and document required information for purposes of completing the required Project and Expenditure reports and to satisfy the requirement of the grant agreements. This includes payroll documentation in accordance with 2 CFR 200.430 and 2 CFR 200.431 and the Town's Allowable Costs and Cost Principles Policy.

The Finance Director must maintain written project requests and approvals, all supporting documentation, and financial information at least until December 31, 2031.



Program/Project #:
Program/Project Short Name:

TOWN OF KILL DEVIL HILLS
Land Where Flight Began

American Rescue Plan Act of 2021 Coronavirus State
and Local Fiscal Recovery Fund
Project Request and Eligibility Determination

This document is to be completed by the person or persons requesting American Rescue Plan Act of 2021 Coronavirus State and Local Government Fiscal Recovery Fund monies. The request will proceed through the Town of Kill Devil Hills' review process. The requestor will receive notice if the project is approved, with instructions on how to proceed.

BASIC INFORMATION AND DESCRIPTION

Table with 2 columns: Field Name and Value. Fields include Program/Project Name, Responsible Department, Program/Project Manager Name, Total Amount Requested, Internal Account Code(s), Treasury Expenditure Category Level, and Treasury Expenditure Category.

ELIGIBILITY REVIEW

1. Revenue Loss

The funds will be used to cover staff costs for the provision of law enforcement services. The funds will cover the regular and routine overtime salaries and corresponding fringe benefit expense for several full-time law enforcement officers and law enforcement administrative staff for the Town of Kill Devil Hills.

\$2,337,008.36 will cover salaries and benefits over the period of March 3, 2021 through December 31, 2024

JUSTIFICATION AND LEGAL REVIEW FOR STATE AUTHORITY:

There is state law authority to pay salaries and benefits for Town employees according to G.S. 160A-162. See the pay schedule and benefits policies adopted by the governing board.

PROPOSED EXPENDITURE ITEMS AND ALLOWABLE COST REVIEW:

Proposed Project Budget, delineated by Cost Item for Allowable Cost Review

U.G. Provisions	Cost Items	Estimated Amount	Necessary/ Reasonable	% Allocable	Required Documentation*
<u>200.430</u>	Compensation	\$1,858,455.95	<u>Yes</u>	100	<u>Yearly effort certification forms (signed by employee and supervisor)</u> <u>Payroll records</u> <u>Pay schedule</u> <u>For Non-exempt employees, time sheets</u>
<u>200.431</u>	Fringe Benefits	\$478,552.41	<u>Yes</u>	100	<u>Written benefits policy</u>
<u>200.475</u>	Travel		Choose an item.		
<u>200.439</u>	Equipment & Other Capital		Choose an item.		
<u>200.453</u>	Materials & Supplies		Choose an item.		
<u>200.318 & 200.92</u>	Contractual Services & Subawards		Choose an item.		
<u>200.459</u>	Consultants / Professional Services		Choose an item.		
<u>200.465</u>	Occupancy (Rent & Utilities)		Choose an item.		
<u>200.471</u>	Telecommunications		Choose an item.		
<u>200.473</u>	Training & Education		Choose an item.		
<u>200.413 (c)</u>	Direct Administrative Costs		Choose an item.		
	Add'l Cost Item		Choose an item.		
	Total Direct Costs	\$2,337,008.36	Choose an item.		
<u>200.414</u>	Indirect Costs		Choose an item.		
Total Project Budget		\$2,337,008.36			

** All required documentation will be maintained in the project file.*

AWARD TERMS AND COMPLIANCE:

Prohibitions Verification:

By checking these boxes, the Finance Director attests that the statements are true.

- Project does not contravene the statutory purpose of ARP, including program, service, or capital expenditure that includes a term or condition that undermines efforts to stop the spread of COVID-19
- No Conflict of Interest, according to Conflict of Interest policy
- Complies with all state and federal laws and local ordinance (attorney review completed)
- No pension fund deposit
- No borrowings or debt service
- No financial reserves

Program/Project #:
Program/Project Short Name:

Uniform Guidance Compliance Requirements:

By checking these boxes, the Finance Director attests that the statements are true.

- Financial Management Compliance (adopted grant project ordinance; accounting system that tracks obligations and expenditures by project and provides comparison to budgeted amounts; appropriate journal entries completed and documented)
- Internal Controls (adopt and routinely monitor internal controls related to all financial processes for receiving, managing, obligating, and expending the federal award funds)
- Civil Rights Compliance (policy adopted and implemented)
- Eligible Project Documentation (policy adopted and this worksheet completed and approved according to the policy)
- Allowable Cost / Cost Principles Compliance (policy adopted and this worksheet completed and approved according to the policy)
- UG Procurement Compliance (only if applicable; policy adopted and implemented)
- UG Property Management Compliance (only if applicable; policy adopted and implemented)
- Program Income Compliance (only if applicable; policy adopted and implemented)
- Sub-award Compliance (only if applicable; policy adopted and implemented)

Reviewed By:

Beverly Kissinger, Finance Director

Signature: _____

Date: _____

Retain for the project file through at least December 31, 2031.



TOWN OF KILL DEVIL HILLS

Land Where Flight Began

Records Retention Policy for Documents Created or Maintained Pursuant to the ARP/CSLFRF Award

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 Kill Devil Hills (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 rationale to support a particular expenditure of CSLFRF (e.g., expenditure constitutes a general government service);

- Documentation of administrative costs charged to the ARP/CSLFRF award;
- Procurement documents evidencing the significant history of a procurement, including, at a minimum, the rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for contract cost or price;
- Sub-award agreements and documentation of sub-recipient 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 Finance Department is responsible for identifying the documents that the Town must or should retain and arrange for the proper storage and retrieval of records. The Finance Department 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 Assistant 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 Finance Director Beverly Kissinger, 252-449-5343, who is in charge of administering, enforcing, and updating this policy.