

**RESOLUTION TO ADOPT AND ENACT
ELIGIBLE USE POLICY FOR THE EXPENDITURE OF AMERICAN RESCUE PLAN ACT OF
2021 CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS BY ROWAN
COUNTY**

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

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

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

1. Support COVID-19 public health expenditures, by funding COVID-19 mitigation and prevention efforts, medical expenses, behavioral healthcare, preventing and responding to violence, and certain public health and safety staff; or
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; or
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; or
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; or
5. Invest in water, sewer, and broadband infrastructure, making necessary investments to improve access to clean drinking water, support vital wastewater and stormwater infrastructure, and to expand access to broadband internet.

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

WHEREAS US Treasury has issued a Compliance and Reporting Guidance v.3.0 (February 28, 2022) 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.

NOW, THEREFORE, BE IT RESOLVED that the County of Rowan, NC hereby adopts and enacts the following Eligibility Determination Policy for ARP/CSLFRF funds.

This the 1 day of May 2023.



Gregory C. Edds, Chairman

ATTEST:



Sarah Pack, Clerk to the Board

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 Rowan County, NC will spend its ARP/CSLFRF funds.

I. PERMISSIBLE USES OF ARP/CSLFRF FUNDING

US Treasury issued its [Final Rule](#) regarding use of ARP 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 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; or
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; or
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; or
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; or
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.

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.); nor
2. To borrow money or make debt service payments; nor
3. To replenish rainy day funds or fund other financial reserves; nor
4. To satisfy an obligation arising from a settlement agreement, judgment, consent decree, or judicially confirmed debt restricting in a judicial, administrative, or regulatory proceeding (There is an exception to this prohibition if the settlement or judgment requires the [Local Government Name] to provide services to respond to the COVID-19 public health emergency or its negative economic impacts or to provide government services, then the costs of those otherwise ARP/CSLFRF-eligible projects are allowed.); nor

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; nor
6. In violation of the conflict-of-interest requirements imposed by the award terms and 2 CFR 200.318(c); nor
7. For any expenditure that would violate other applicable federal, state, and local laws and regulations.

Rowan County 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 Rowan County 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. Name and Title of proposed Project Manager(s) (usually a departmental director or their designated employee who will be responsible to ensure the project is implemented according to Rowan County policies and ARPA guidelines).
 - c. Identification of ARP/CSLFRF Expenditure Category (EC) (A list of ECs is in the Appendix to the [US Treasury Compliance and Reporting Guidance](#).)
 - d. Required justifications for applicable projects, according to the requirements in the Final Rule. Employees or any applicant seeking ARP funding should review the [Final Rule](#) and [Final Rule Overview](#) prior to submitting a proposal.
 - e. Proposed budget, broken down by cost item, in accordance with the Rowan County's Allowable Cost Policy.
 - f. 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 Director of Grants Administration & Governmental Relations for pre-approval. All requests will be reviewed by the Director of Grants Administration & Governmental Relations for ARP/CSLFRF compliance and by the Finance Director for allowable costs and other financial review. See Attachment A
3. No ARP/CSLFRF may be obligated or expended before final written pre-approval is received from the Director of Grants Administration & Governmental Relations and the Finance Director. Final project approval and any budget amendments will be approved by the Rowan County Board of Commissioners.
4. If a proposal does not meet the required pre-approval criteria, it will be returned to the requesting party for revision and resubmittal.
5. Following pre-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 Director for Grants Administration & Governmental Relations and may require a budget amendment before proceeding. Any delay in the projected project completion date shall be communicated to the immediately the Director for Grants Administration & Governmental Relations.
6. The Director for Grants Administration & Governmental Relations must collect, and document required information for each EC, for purposes of completing the required Project and Expenditure reports.

7. The Director for Grants Administration & Governmental Relations must maintain written project requests and approvals, all supporting documentation, and financial information at least until December 31, 2031.

ATTACHMENT A: ROWAN COUNTY ARPA PROJECT PROPOSAL FORM

This document is to be completed by the person(s) requesting American Rescue Plan Act of 2021 Coronavirus State and Local Government Fiscal Recovery Fund monies. The request will proceed through Rowan County's review process. The requestor will receive notice of pre-approval and final approval status, with instructions on how to proceed.

NOTE: This form was adapted from a template created by UNC School of Government, and accessed at the SOG ARPA Document Share Microsite: <https://arpa.sog.unc.edu/document-share/>

PROPOSED PROJECT INFORMATION: To be completed by proposing department/individual. Proposing department/individual will provide additional information as requested by Grants Administration/Govt Relations and Finance.

| | |
|---|-----------------|
| Proposed Project Name | |
| Brief Project Description | |
| Responsible Department | |
| Project Manager Name & Title | |
| Total ARPA Funds Requested | |
| Proposed Account (Expense) Codes | |
| Treasury Expenditure Category Level: | Choose an item. |
| Treasury Expenditure Category: | Choose an item. |

ELIGIBILITY REVIEW WORKSHEET

To be completed by Director for Grants Administration & Governmental Relations, in consultation with Finance Director, Project Manager, and other County Staff as required.

Select the appropriate ARP/CSLFRF Category below and complete the required information. Note that each requested project may only be associated with one of the following categories: 1. Public Health; 2. Negative Economic Impact; 3. Public Sector Capacity; 4. Premium Pay; 5. Infrastructure; 6. Revenue Replacement (Government Services); or 7. Administrative. Please complete all information in the applicable category and attach any required additional justifications and documentation.

| Public Health | | |
|--|---|--|
| A. Enumerated Uses/ Safe Harbors (Must select one) | | |
| <input type="checkbox"/> COVID-19 mitigation & prevention* | <input type="checkbox"/> Behavioral health care* | |
| <input type="checkbox"/> Medical expenses* | <input type="checkbox"/> Preventing & responding to violence* | |
| | <input type="checkbox"/> Not on Enumerated List (Must complete Box B.) | |
| <i>*See detailed list of enumerated projects in each of these categories on pages 14-16 of the Overview of the Final Rule.</i> | | |
| Written Justification (Provide detailed responses to both these questions if checked “Not on Enumerated List” in Box A) | | |
| What is the specific negative public health impact or harm experienced by an individual or a class? | | |
| How does proposed project address the negative public health impact or harm? | | |
| Is the project reasonably designed to benefit the individual or class that experienced a public health impact or harm? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Is the project related and reasonably proportional to the extent and type of public health impact or harm experienced? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Does proposed project involve a capital expenditure between \$1 million and \$10 million? | <input type="checkbox"/> Yes – Proceed to Box F. | <input type="checkbox"/> No – Proceed to Box G. |
| Is proposed project on enumerated list in Box A? <i>*Written justification must include the following elements:</i> <i>Describe the harm or need to be addressed;</i> <i>Explain why a capital expenditure is appropriate; and</i> <i>Compare the proposed capital expenditure to at least two alternative capital expenditures and demonstrate why the proposed capital expenditure is superior.</i> | <input type="checkbox"/> Yes – Record written justification* in file, but not required in Project & Expenditure Reports | <input type="checkbox"/> No – Record written justification* in file and include in Project & Expenditure Reports |

| | | |
|---|--|---|
| Does the proposed project involve a capital expenditure of \$10 million or more? | <input type="checkbox"/> Yes – Record written justification* for file and include in Project & Expenditure Reports | <input type="checkbox"/> No – No further action required. |
|---|--|---|

Negative Economic Impact

A. Enumerated Beneficiaries (Must select one)

*See detailed list of enumerated beneficiaries and income on pages 17 & 19 of the [Overview of the Final Rule](#).

Beneficiaries Who Experience Negative Economic Impact from the Pandemic

- ☐ Low-moderate income households or communities
- ☐ Household that experienced unemployment
- ☐ Households that experienced increased food or housing insecurity
- ☐ Households that qualify for the Children’s Health Insurance Program, Childcare Subsidies through the Child Care Development Fund Program, or Medicaid
- ☐ When providing affordable housing programs: households that qualify for the National Housing Trust Fund and Home Investment Partnerships Program
- ☐ When providing services to address lost instructional time in K-12 schools: any student that lost access to in-person instruction for a significant period
- ☐ Small business that experienced decreased revenue or gross receipts, increased costs, financial insecurity, or other financial challenges due to the pandemic
- ☐ Nonprofit the experienced decreased revenue, increased costs, financial insecurity, or other financial challenges due to the pandemic
- ☐ Travel, tourism, hospitality industries
- ☐ Other industry that experienced at least 8% employment loss from pre-pandemic levels or is experiencing comparable or worse economic impacts as national tourism, travel, and hospitality sector
- ☐ Local government

Beneficiaries Who Experienced Disproportionately Negative Economic Impact from the Pandemic

- ☐ Low-income households and communities
- ☐ Households residing in a Qualified Census Tract (QCT)
- ☐ Households that qualify for Temporary Assistance for Needy Families (TANF), Supplemental Nutrition Assistance Program (SNAP), Free- and Reduced-Price Lunch (NSLP) and/or School Breakfast (SBP) programs, Medicare Part D Low-Income Subsidies, Supplemental Security Income (SSI), Head Start and/or Early Head Start, Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), Section 8 Vouchers, Low-Income Home Energy Assistance Program (LIHEAP), and Pell Grants. For services to address educational disparities, Treasury will recognize Title I eligible schools as disproportionately impacted and responsive services that support the school generally or support the whole school as eligible.
- ☐ Small businesses operating in a Qualified Census Tract (QCT)
- ☐ Nonprofits operating in a Qualified Census Tract (QCT)
- ☐ Not on enumerated list (Must complete Box B.)

B. Written Justification (Provide detailed response to this question if proposed beneficiary not on enumerated list in Box A)

Define the group/class/geographical area that experienced a negative economic impact from the COVID-19 pandemic. Be specific in defining group/class/area and in defining the negative economic impact to the group/class/area.

. Enumerated / Safe Harbor Projects (Must Select One)
Projects for Negatively Economically Impacted

Households & Communities

- ☐ Food assistance & food banks
- ☐ Emergency housing assistance: rental assistance, mortgage assistance, utility assistance, assistance paying delinquent property taxes, counseling and legal aid to prevent eviction and homelessness & emergency programs or services for homeless individuals, including temporary residences for people experiencing homelessness
- ☐ Health insurance coverage expansion
- ☐ Benefits for surviving family members of individuals who have died from COVID-19
- ☐ Assistance to individuals who want and are available for work, including job training, public jobs programs and fairs, support for childcare and transportation to and from a jobsite or interview, incentives for newly- employed workers, subsidized employment, grants to hire underserved workers, assistance to unemployed individuals to start small businesses & development of job and workforce training centers
- ☐ Financial services for the unbanked and underbanked
- ☐ Burials, home repair & home weatherization
- ☐ Programs, devices & equipment for internet access and digital literacy, including subsidies for costs of access
- ☐ Cash assistance
- ☐ Paid sick, medical, and family leave programs
- ☐ Assistance in accessing and applying for public benefits or services
- ☐ Childcare and early learning services, home visiting programs, services for child welfare- involved families and foster youth & childcare facilities
- ☐ Assistance to address the impact of learning loss for K-12 students (e.g., high-quality tutoring, differentiated instruction)
- ☐ Programs or services to support long-term housing security: including development of affordable housing and permanent supportive housing

Projects for Disproportionately Negatively Economically Impacted

Households & Communities

- ☐ Pay for community health workers to help households access health & social services
- ☐ Remediation of lead paint or other lead hazards
- ☐ Primary care clinics, hospitals, integration of health services into other settings, and other investments in medical equipment & facilities designed to address health disparities
- ☐ Housing vouchers & assistance relocating to neighborhoods with higher economic opportunity
- ☐ Investments in neighborhoods to promote improved health outcomes
- ☐ Improvements to vacant and abandoned properties, including rehabilitation or maintenance, renovation, removal and remediation of environmental contaminants, demolition or deconstruction, greening/vacant lot cleanup & conversion to affordable housing
- ☐ Services to address educational disparities, including assistance to high-poverty school districts & educational and evidence-based services to address student academic, social, emotional, and mental health needs
- ☐ Schools and other educational equipment & facilities

Small Businesses

- ☐ Loans or grants to mitigate financial hardship, such as by supporting payroll and benefits, costs to retain employees, and mortgage, rent, utility, and other operating costs
- ☐ Technical assistance, counseling, or other services to support business planning

Nonprofits

- ☐ Loans or grants to mitigate financial hardship
- ☐ Technical or in-kind assistance or other services that mitigate negative economic impacts of the pandemic

Travel, Tourism, Hospitality Industry

- ☐ Aid to mitigate financial hardship, such as supporting payroll costs, lost pay and benefits for returning employees, support of operations and maintenance of existing equipment and facilities
- ☐ Technical assistance, counseling, or other services to support business planning
- ☐ COVID-19 mitigation and infection prevention measures (see section Public Health)

Local Government

- ☐ Public safety, public health, and human services salaries/benefits, to extent responding to the COVID-19 public health emergency
- ☐ Restoring pre-pandemic employment levels
- ☐ Effective service delivery

Small Businesses

- ☐ Rehabilitation of commercial properties, storefront improvements & façade improvements
- ☐ Technical assistance, business incubators & grants for start-up or expansion costs for small businesses
- ☐ Support for microbusinesses, including financial, childcare, and transportation costs

☐ Not on enumerated list (Must proceed to Box D.)

D. Written Justification (Provide detailed response to this question if proposed project not on enumerated list in Box C.)

- (1) What is the specific negative economic impact or harm caused or exacerbated by the pandemic?
- (2) How does the proposed project address the impact or harm?

| | | |
|---|--|---|
| | | |
| E. Is the project reasonably designed to benefit the individual or class that experienced a public health impact or harm? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| F. Is the project related and reasonably proportional to the extent and type of public health impact or harm experienced? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| G. Does proposed project involve a capital expenditure between \$1 million and \$10 million? | <input type="checkbox"/> Yes – Proceed to H. | <input type="checkbox"/> No – Go to Box I. |
| H. Is proposed project on enumerated list in Box C? <i>*Written justification must include the following elements:</i> <ul style="list-style-type: none"> • Describe the harm or need to be addressed; • Explain why a capital expenditure is appropriate; and • Compare the proposed capital expenditure to at least two alternative capital expenditures and demonstrate why the proposed capital expenditure is superior. | <input type="checkbox"/> Yes – Record written justification* for file, but not required in Project & Expenditure Reports | <input type="checkbox"/> No – Record written justification* for file and include in Project & Expenditure Reports |
| I. Does the proposed project involve a capital expenditure of \$10 million or more? | <input type="checkbox"/> Yes – Record written justification* for file and include in Project & Expenditure Reports | <input type="checkbox"/> No – No further action needed |
| Premium Pay Please provide description of project and attach any necessary documentation. Must conform with requirements in 31 CFR 35.6(c). (More details on this expenditure category are available here .) | | |
| Water, Sewer, Stormwater Infrastructure Please provide description of project and attach any necessary documentation. Must conform with requirements in 31 CFR 35.6(c)(1). | | |

Broadband Infrastructure

Please provide description of project and attach any necessary documentation. Must conform with requirements in 31 CFR 35.6(e)(2).

Revenue Loss

This portion of ARP/CSLFRF funds may be used for the provision of government services. Please provide description of project and attach any necessary documentation. Note that water, sewer, stormwater, and broadband projects may be funded in this category, without having to meet all the criteria specified in the other categories.

PROHIBITIONS

By checking these boxes, the _____ 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
- ☐ Complies with all state and federal laws and local ordinance

VERIFICATION:

- ☐ No pension fund deposit
- ☐ No borrowings or debt service
- ☐ No financial reserve

JUSTIFICATION AND LEGAL REVIEW FOR STATE AUTHORITY:**Program Budget Information**

Proposed Project Budget, delineated by Cost Item for Allowable Cost Review. Review to be completed by Finance Department.

| U.G. Provisions | Cost Items | Estimated Amount | Necessary/ Reasonable | % Allocable | Assigned Account Code(s) |
|-------------------------|---------------------------|------------------|-----------------------|-------------|--------------------------|
| 200.430 | Compensation | | Choose an item. | | |
| 200.431 | Fringe Benefits | | Choose an item. | | |
| 200.475 | Travel | | Choose an item. | | |
| 200.439 | Equipment & Other Capital | | Choose an item. | | |
| 200.453 | Materials & Supplies | | Choose an item. | | |

| | | | | | |
|-----------------------------|-------------------------------------|--|-----------------|--|--|
| 200.318 & 200.92 | Contractual Services & Subawards | | Choose an item. | | |
| 200.459 | Consultants / Professional Services | | Choose an item. | | |
| 200.465 | Occupancy (Rent & Utilities) | | Choose an item. | | |
| 200.471 | Telecommunications | | Choose an item. | | |
| 200.473 | Training & Education | | Choose an item. | | |
| 200.413 (c) | Direct Administrative Costs | | Choose an item. | | |
| | Add'l Cost Item | | Choose an item. | | |
| | Total Direct Costs | | Choose an item. | | |
| 200.414 | Indirect Costs | | Choose an item. | | |
| Total Project Budget | | | | | |

Administrative Classification

| | | | |
|----------------------------|-----------------------------------|--|---|
| Administration Type | <input type="checkbox"/> In-House | <input type="checkbox"/> Contractor/Vendor | <input type="checkbox"/> Sub-Recipient/Subaward |
|----------------------------|-----------------------------------|--|---|

Program Sub-Recipient and/or Contractor List:

| Name | Tax ID # | Completion of Classification Checklist? | Contractor or Sub-Recipient | DUNS #/UEI | Date checked SAM.gov |
|------|----------|---|-----------------------------|------------|----------------------|
| | | Choose an item. | Choose an item. | | |
| | | Choose an item. | Choose an item. | | |
| | | Choose an item. | Choose an item. | | |

Key Project Dates

| Due Date | Task Type | Task Description | Status |
|----------|-----------------|------------------|-----------------|
| | Choose an item. | | Choose an item. |
| | Choose an item. | | Choose an item. |
| | Choose an item. | | Choose an item. |

- ☐ Pre-approval received; recommend submission to BoC for Final Approval
- ☐ Pre-approval not received; recommend project revisions. See comments.
- ☐ Other: See comments.

ARPA/CSLFRF Compliance Review & Pre-approval Determination Completed by:

Signature

Date

DIRECTOR, GRANTS ADMINISTRATION & GOVERNMENTAL RELATIONS

COMMENTS: