

# North Carolina Office of State Budget and Management

Contract # 20854

This Agreement is hereby entered into by and between the NC Office of State Budget and Management (the "AGENCY") and Gaston County  
(the "RECIPIENT") (referred to collectively as the "Parties").

**1. EFFECTIVE TERM:**

The RECIPIENT's performance period for this agreement shall be effective starting July 1, 2023, through June 30, 2026. The PARTIES' duties of record-keeping, monitoring, reporting, and auditing continue thereafter as provided below.

**2. RECIPIENT'S DUTIES:**

The RECIPIENT is authorized by this agreement to use funds for purposes referenced in Session Law (S.L.) 2023-134, as amended by S.L. 2024-1 and S.L. 2024-57.

The RECIPIENT's scope of work is a complete and concise scope of goods or services supported by this agreement and consistent with language in Session Law (S.L.) 2023-134, as amended by S.L. 2024-1 and S.L. 2024-57

(See Appendix A).

The RECIPIENT agrees to use the funds in the amounts allocated for the budget cost items set forth in the RECIPIENT's Budget. RECIPIENT may reallocate and/or redistribute among budgeted items up to 10% in overall budget costs without the express written permission of the AGENCY.

The RECIPIENT understands and acknowledges that the total funding level available under this agreement will not exceed \$100,000.00.

The RECIPIENT acknowledges they have provided the following additional documentation:

- a. Internal Revenue Service W-9 form (includes address) DS  
MR
- b. Electronic Payment Form & Supporting Document DS  
MR
- c. Scope of Work – Appendix A DS  
MR
- d. Policy addressing conflicts of interest DS  
MR
- e. Sworn Statement of no overdue tax debts DS  
MR

The RECIPIENT understands and acknowledges required compliance with all statutory provisions outlined in G.S. 143C-6-22 Use of State funds by non-State entities, 9 N.C.A.C. Subchapter 3M and the requirements found in S.L. 2023-134, Section 12.2(e), as amended by S.L. 2024-1 and S.L. 2024-57.

The RECIPIENT shall ensure:

- a. Funds are used for nonsectarian, nonreligious purposes only.
- b. No more than \$140,000 in State funds, including any interest earnings accruing from those funds, may be used for the annual salary of any individual employee of a nonprofit organization.
- c. Interest earnings on funds shall be used for the same purposes for which the grant was made.
- d. Submission of quarterly reports on financial and performance progress. This shall include the financial and performance progress of the RECIPIENT and all SUB-RECIPIENTS.
- e. Compliance with 9 N.C.A.C. Subchapter 3M.0205.

Pursuant to G.S 143C-6-8, the RECIPIENT understands and agrees that funding shall be subject to the availability of appropriated funds. However, in the event of agreement termination due to lack of adequate appropriated funds, the AGENCY will ensure that it will pay for services and goods acquired and obligated on or before the notice of agreement termination.

### **3. AGENCY'S DUTIES & PAYMENT PROVISIONS:**

The AGENCY shall ensure that funds allocated and disbursed pursuant to Session Law (S.L.) 2023-134, as amended by S.L. 2024-1 and S.L. 2024-57

comply with the intent and guidance found in these Session Laws and ensure compliance with related state statutes and financial management standards.

The AGENCY is subject to the following requirements:

- a. Upon execution of this contract and the RECIPIENT's submission of documents identified in Section 2 of this contract, the AGENCY shall pay the RECIPIENT the full amount as identified in the scope of work within 30 days.
- b. Develop RECIPIENT quarterly financial and performance reporting document that shall incorporate the requirements of 9 N.C.A.C. Subchapter 3M.0205 and require the RECIPIENT to:
  - i. Certify that funds received or held were used for the intended purpose.
  - ii. Provide an accounting for funds received, interest earned, funds expended.
  - iii. Provide activities, accomplishments, and performance measures.
  - iv. Provide a list of employees and the amount of State funds used for the employee's annual salary.
  - v. Provide supporting invoices, contracts, payroll information or other documents to support expenditures.
- c. Provide a secure method for submitting financial and performance reports.
- d. Conduct financial and performance monitoring until the contract is completed.
- e. Funds will not revert until June 30, 2026.

#### **4. FUNDS MANAGEMENT:**

The RECIPIENT agrees that funds paid through this contract shall be subject to the following:

- a. Accounted for in a separate fund and accounting structure within the RECIPIENT's central accounting and / or grant management system. This shall include accounting for interest earned on these funds.
- b. All accounts payable disbursements, check register disbursements and related transactions shall be managed in a detailed manner that supports fully transparent accounting of all financial transactions associated with this funding allocations described in Section 3 above.
- c. Expenditures for travel mileage, meals, lodging and other travel expenses incurred in the performance of this Contract shall be reasonable and supported by documentation. State rates should be used as guidelines. International travel shall not be eligible under this Contract.
- d. If eligible, the RECIPIENT and all subrecipients shall:
  - i. Request from the North Carolina Department of Revenue a refund of all sales and use taxes paid by them in the performance of this Contract, pursuant to N.C.G.S. 105-164.14; and
  - ii. Exclude all refundable sales and use taxes from all reportable expenditures before the expenses are entered in their quarterly project status reports.

#### **5. POST-GRANT AWARD DOCUMENTATION REQUIREMENTS:**

The RECIPIENT agrees to submit the required quarterly report on or before the 10<sup>th</sup> day following the end of each quarter. The first report is due to the AGENCY during the quarter in which the funds have been received by the RECIPIENT. The AGENCY shall provide the format and method for reporting. All reports and supporting documents shall include the RECIPIENT and all SUB-RECIPIENT information and shall be submitted as prescribed by the AGENCY.

RECIPIENT and any SUB-RECIPIENTS agree that all program activity results information reported shall be subject to review and authentication as described in Paragraph 7 and RECIPIENT will provide access to work papers, receipts, invoices and reporting records, if requested by the AGENCY, as the AGENCY executes any monitoring or internal audit responsibilities.

RECIPIENTS and SUB-RECIPIENTS receiving \$750,000 or more shall have a single or program-specific audit prepared and completed in accordance with Generally Accepted Government Auditing Standards, also known as the Yellow Book. The audit report must be provided to the AGENCY no later than nine months after the end of the RECIPIENTS fiscal year. This report shall be submitted as prescribed by the AGENCY. The cost of an audit conducted in conformance with the Yellow Book is an allowable cost for this grant.

#### **6. AGREEMENT ADMINISTRATORS:**

All notices permitted or required to be given by one Party to the other and all questions about the Agreement from one Party to the other shall be addressed and delivered to the other Party's Agreement Administrator. The name, post office address, street address, telephone number, fax number, and email address of the Parties' respective initial Agreement Administrators are set out below. Either Party may change the name, post office address, street address, telephone number, fax number, or email address of its Agreement Administrator by giving timely written notice to the other Party.

<b>RECIPIENT and AGENCY Point of Contact</b>	
RECIPIENT Contract Administrator	AGENCY Contract Administrator
Name: <u>Matthew Rhoten</u>	Cole Jordan
Email: <u>matthew.rhoten@gastongov.com</u>	NC Office of State Budget and Management 2 South Salisbury Street Raleigh, NC 27601
Direct Phone: <u>704-866-3048</u>	Direct Phone: 984-236-0633
Fiscal year end MONTH: <u>June</u>	Email: <a href="mailto:NCGrants@osbm.nc.gov">NCGrants@osbm.nc.gov</a>

**7. MONITORING AND AUDITING:**

The RECIPIENT acknowledges and agrees that, from and after the date of execution of this Agreement and for five (5) years following its termination, the books, records, documents and facilities of the RECIPIENT are subject to being audited, inspected and monitored at any time by the AGENCY upon its request (whether in writing or otherwise). The RECIPIENT further agrees to provide AGENCY staff and staff of the Office of State Auditor with access to financial and accounting records to support internal audit, financial reporting and related requirements.

The RECIPIENT acknowledges and agrees that, regarding the grant funds, it will be subject to the audit and reporting requirements prescribed in G.S. 159-34, Local Government Finance Act – Annual Independent Audit, rules, and regulations. Such audit and reporting requirements may vary depending upon the amount and source of grant funding received by the RECIPIENT and are subject to change.

**8. TAXES:**

The RECIPIENT shall be considered to be an independent RECIPIENT and as such shall be responsible for all taxes. The RECIPIENT agrees to provide the AGENCY with the RECIPIENT'S correct taxpayer identification number upon the execution of this Agreement. The RECIPIENT agrees that failure to provide the AGENCY with a correct taxpayer identification number authorizes the AGENCY to withhold any amount due and payable under this Agreement.

**9. SITUS:**

This Agreement shall be governed by the laws of North Carolina and any claim for breach or enforcement of this Agreement shall be filed in State court in Wake County, North Carolina.

**10. COMPLIANCE WITH LAW:**

The RECIPIENT shall remain an independent RECIPIENT and as such shall be wholly responsible for the scope of work to be performed under this Agreement and for the supervision of his employees and assistants. The RECIPIENT represents that it has, or will secure at its own expense, all personnel required in performing the

services under this agreement. Such employees shall not be employees of or have any individual contractual relationship with the AGENCY. The RECIPIENT shall be responsible for compliance with all laws, ordinances, codes, rules, regulations, licensing requirements and other regulatory matters that are applicable to the conduct of its business and work performance under this Agreement, including those of Federal, State, and local agencies having appropriate jurisdiction.

The Recipient acknowledges and agrees that, in its conduct under this Contract and in connection with any and all expenditures of grant funds made by it, it shall comply with the cost principles enunciated in the Code of Federal Regulations, 2 CFR, Part 200. The Recipient further acknowledges and agrees that, if it grants any of the grant funds awarded hereunder to one or more sub-recipients or sub-sub-recipients, the Recipient shall, by contract, ensure that said cost principles are made applicable to and binding upon any and all such SUB-RECIPIENTS, SUB-SUB-RECIPIENTS, etc. in their handling, use and expenditure of the funds awarded to the RECIPIENT hereunder.

#### **11. TERMINATION OF AGREEMENT:**

This agreement may be terminated by mutual consent upon sixty (60) days written notice to the other party, or as otherwise provided by law. As soon as reasonably possible following termination of this agreement, the amount of any residual unexpended funds shall be transferred to the AGENCY.

#### **12. AMENDMENTS:**

This Agreement may be amended in writing which documents approval of changes by both the AGENCY and the RECIPIENT.

#### **13. AGREEMENT CLOSE-OUT PROCESS:**

The RECIPIENT agrees to submit to the AGENCY a complete performance and expenditure status report (final quarterly report) within ninety (90) days after the completion of the project or final expenditure date, whichever is later. Unexpended funds should be promptly returned to the AGENCY at this time.

RECIPIENT will be deemed noncompliant if its final report is not submitted within the 90-day period stated above. Once the complete final performance and financial status report package has been received and evaluated by the AGENCY, the RECIPIENT will receive official notification of agreement close-out. The letter will inform the RECIPIENT that the AGENCY is officially closing the agreement and retaining all agreement files and related material for a period of five (5) years or until all audit exceptions have been resolved, whichever is longer.

**14. AUTHORIZED SIGNATURE WARRANTY:**

The undersigned represent and warrant that they are authorized to bind their principals to the terms of this agreement. **In Witness Whereof**, the RECIPIENT and the AGENCY have executed this Agreement in duplicate originals, with one original being retained by each party.

**RECIPIENT NAME**

DocuSigned by:  
*Matthew Rhoten*  
DAC788E942884CD...  
Signature

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1/27/2025 | 2:30 PM EST  
Date

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Matthew Rhoten  
Printed Name

County Manager  
Title

**NC OFFICE OF STATE BUDGET AND MANAGEMENT**

DocuSigned by:  
*Kristin Walker*  
8CBE034DDDB04BB...  
Signature

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1/27/2025 | 7:13 PM EST  
Date

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Kristin Walker  
Printed Name

State Budget Director  
Title