

Contract ID: FRF0036  
Project Name: TS Helene - Economic Recovery Grants  
Supplier Name: Mountain BizWorks, Inc.  
Primary place of performance: Buncombe County  
Period of performance start date: 11/20/2024  
Period of performance end date: 12/31/2026

NORTH CAROLINA  
BUNCOMBE COUNTY

TS HELENE ECONOMIC RECOVERY GRANTS AGREEMENT

THIS AGREEMENT, made and entered into this November 20, 2024, by and between the County of Buncombe ("County"), a body politic and corporate of the state of North Carolina and Mountain BizWorks, Inc, a North Carolina nonprofit corporation organized and existing under the laws of the state of North Carolina ("Contractor");

WITNESSTH

WHEREAS, North Carolina counties received funding as part of the Coronavirus State and Local Fiscal Recovery Fund (FRF) established under the federal American Rescue Plan Act (ARPA);

WHEREAS, The FRF allocation for Buncombe County totaled \$50,733,290;

WHEREAS, local governments are permitted to allocate FRF funds to provide emergency relief from natural disasters or the negative economic impacts of natural disasters;

WHEREAS, on September 27, 2024, Tropical Storm Helene devastated portions of Buncombe County damaging many local businesses and the infrastructure necessary to conduct business and retain employees;

WHEREAS, at a special meeting on November 1, 2024, the Buncombe County Board of Commissioners reallocated FRF funds in the amount of \$1,597,053.34 to be awarded as economic recovery grants to local businesses impacted by Tropical Storm Helene;

WHEREAS, on November 1, 2024, Buncombe County issued a Request for Proposals from experienced organizations to administer the FRF funds;

WHEREAS, Mountain BizWorks, Inc. was selected to administer the FRF funds by through the issuance of economic recovery grants;

WHEREAS, the County and Mountain BizWorks, Inc. mutually desire to establish the means and method for the allocation of FRF funds through this Agreement: and

WHEREAS, pursuant to N.C. Gen. Stat. §153A-11, a county may contract and be contracted with.

NOW THEREFORE, in consideration of the promises and further consideration of the mutual agreements contained herein, as well as the financial consideration, the parties hereto agree as follows:

1. The Recitals set forth above, along with the definitions of certain terms are incorporated herein by reference as if fully restated.

2. Award Amount. The County shall provide Contractor an award in the maximum amount of \$1,597,053.34. The Contractor may retain no more than \$39,926.33 of the award as compensation to administer the FRF funds in accordance with this Agreement and the Scope of Work.

3. Effective Period. This AGREEMENT shall be effective on November 20, 2024, and shall terminate on December 31, 2026. All funds must be expended and the work completed for said expenditures no later than December 31, 2026. All documentation must be submitted to the County by January 15, 2027.

4. Scope of Work. Contractor shall provide the services outlined in "Appendix B" to this Agreement. If there are conflicting terms in the Attachment, this Agreement shall control.

5. Certification. Any award to be disbursed to Contractor will only be made for approved FRF expenses. The Contractor shall make a report and certify to the County that the funds:

- Were for eligible COVID-19 response and recovery uses under FRF, per U.S. Department of Treasury FRF guidance;
- Were incurred no sooner than March 3, 2021;
- Were obligated by December 31, 2024;
- Were expended with all work performed and completed by December 31, 2026. in a manner consistent with terms for the FRF set forth by the U.S. Department of Treasury and in accordance with all applicable State and federal laws; and
- Were expended in accordance with the approved budget reflected in Appendix E, unless budget modification approval was given in writing by County.

County reserves the right to reasonably request additional documentation to demonstrate compliance with the American Rescue Plan Act and the Coronavirus State and Local Fiscal Recovery Fund.

6. Payment Process. Upon execution of Agreement, County will issue a single payment not to exceed \$1,597,053.34 to the Contractor. Contractor shall submit expense documentation to the County by the 15<sup>th</sup> of each month until all expenses have been submitted. Reports shall include a detailed accounting and be accompanied by detailed documentation for each expense. Detailed documentation should include all of the following if relevant: employee time sheets, purchase orders, invoices, receipts, and proof of payment. Following the receipt of the report and certification, the County shall review for compliance. County will notify Contractor of its approval or denial within thirty (30) days of receipt. A denial will include a reasonable description of the reason for denial and an offer an opportunity to cure any deficiencies.

7. Repayment of Appropriated Funds. Any funds appropriated by the County and distributed to the Contractor that are found to have been utilized by Contractor for uses in violation of FRF or which have been denied as a valid expense pursuant to Paragraph 4, above, shall be repaid by Contractor to the County upon demand.

8. Maintain Records. The Contractor shall maintain records documenting each expenditure under FRF and will provide that documentation to the County upon request or make such documentation available should there be an audit of expenditures of these FRF award funds.

9. Failure to Submit Timely Documentation. Documentation of use of funds must be delivered to Buncombe County by not later than the 15th of each month within the Agreement period. Any failure to do so constitute grounds for Agreement termination. Any funds advanced by the County to the Contractor without adequate documentation must be returned to the County.

#### MISCELLANEOUS

10. Dispute Resolution. The parties intend that this Agreement shall be governed by the law of the State of North Carolina as follows:

a. Mediation. Any claim, dispute, or other matter in question arising out of or related to this Agreement shall be subject to voluntary non-binding mediation as a condition precedent to the institution of legal or equitable proceedings by either party. If the parties are unable to agree upon a certified mediator to hear their dispute, the Buncombe County Resident Superior Court Judge shall name a mediator to hear the matter. The parties shall equally share the mediator's fee. The mediation shall be held in Asheville at a location designated by the mediator selected to hear the matter.

b. Legal Proceedings. Claims, disputes and/or other matters in question between the parties that are not resolved by mediation shall be heard in the North Carolina General Courts of Justice in Asheville, Buncombe County, North Carolina, which said Court shall have jurisdiction to hear any dispute between the parties arising out of this agreement. The Parties hereby agree that this paragraph establishes exclusive and sole jurisdiction for any legal proceeding in Buncombe County, North Carolina.

11. Termination. Either party may terminate this v for any reason, or for no reason, by giving the other party thirty (30) days written notice. In the event this Agreement is terminated before the Effective Period described in Section 2, above, the Contractor shall remit all funds that have not been expended and the relevant documentation to the County within thirty (30) days.

12. Notices. Any notice permitted or required under this Agreement from one party to the other must be in writing and will be effective (a) on the date it was actually delivered to the addressee if delivered personally, or sent by a nationally recognized courier (such as FedEx or United Parcel Service) or sent by facsimile, or (b) three days after having been deposited in the United States mail, if sent by certified mail, return receipt request, in each case to the respective addresses of Contractor and the County listed below, or those other addresses of which either party gives the other party written notice:

If to Contractor, to:

Mountain BizWorks, Inc.  
Matt Raker, Executive Director  
153 S Lexington Ave  
Asheville NC 28801  
828-253-2834 x 15

If to the County, to:

Elizabeth Odderstall, Economic Development Program  
Analyst.  
200 College Street, Suite 300  
Asheville, NC 28801  
elizabeth.odderstol@buncombecounty.org

With copy to:

Amy Broughton, Staff Attorney  
Buncombe County  
200 College Street, First Floor  
Asheville, NC 28801

Any addressee may designate additional or different addresses for communications by notice given under this Section to each of the others.

11. Non-Business Days. If the date for making any payment or the last day for performance of any act or the exercising of any right shall not be a Business Day, such payment shall be made or act performed or right exercised on or before the next preceding Business Day.
12. Severability. Each provision in this Agreement is severable. If any provision of this Agreement will be determined to be invalid or unenforceable by a court of competent jurisdiction, then: (a) such determination will not invalidate or render unenforceable any other provision of this Agreement; (b) such provision will be construed as closely as possible to the parties' original intent in order to render such provision valid or enforceable, as applicable; and (c) the remaining terms of this Agreement, together with such reconstructed provision, will constitute the parties' entire agreement.
13. Entire Agreement; Amendments. This Agreement constitutes the entire agreement between the parties, and this Agreement shall not be changed except in writing signed by both parties.
14. Binding Effect. Subject to the specific provisions of this Agreement, this Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties and their respective successors and assigns.
15. Time. Time is of the essence in this Agreement and each provision contained herein.
16. Liability of Directors, Officers and Agents. No director, officer, agent or employee of the County or Contractor shall be subject to any personal liability or accountability by reason of the execution of this Agreement or any other documents related to the transactions contemplated hereby. Such officers, agents, or employees shall be deemed to execute such documents in their

official capacities only, and not in their individual capacities. This Section shall not relieve any such officer, agent or employee from the performance of any official duty provided by law.

17. Confidentiality. To the extent permitted by applicable statutes and rules, the County will maintain as confidential trade secrets in its proposal that the Contractor does not wish disclosed. As a condition to confidential treatment, each page containing trade secret information shall be identified in boldface at the top and bottom as "CONFIDENTIAL" by the Contractor, with specific trade secret information enclosed in boxes, marked in a distinctive color or by similar indication. Cost information shall not be deemed confidential under any circumstances. Regardless of what a Contractor may label as a trade secret, the determination whether it is or is not entitled to protection will be determined in accordance with G.S. 132-1.2. Any material labeled as confidential constitutes a representation by the Contractor that it has made a reasonable effort in good faith to determine that such material is, in fact, a trade secret under G.S. 132-1.2. Contractors are urged and cautioned to limit the marking of information as a trade secret or as confidential so far as is possible. If a legal action is brought to require the disclosure of any material so marked as confidential, the County will notify Contractor of such action and allow Contractor to defend the confidential status of its information.

18. Insurance.

**COVERAGE** - During the term of the Agreement, the Contractor at its sole cost and expense shall provide commercial insurance of such type and with such terms and limits as may be reasonably associated with the Agreement. As a minimum, the Contractor shall provide and maintain the following coverage and limits:

- (a) Commercial General Liability insurance in an amount not less than \$1,000,000 each occurrence/\$2,000,000 annual aggregate. Coverage shall not contain any endorsement(s) excluding nor limiting Product/Completed Operations or Contractual Liability.
- (b) Business Automobile Liability insurance covering all owned, non-owned, and hired vehicles with a minimum combined single limit of \$1,000,000 each occurrence and shall include uninsured/underinsured motorist coverage per NC General Statute 20-279-21.
- (c) Workers Compensation coverage at the statutory limits in compliance with applicable State and Federal laws. Supplier shall ensure that any subcontractors also have workers compensation coverage at the statutory limits.
- (d) Employer's Liability coverage with minimum limits of \$1,000,000 each accident and \$1,000,000 each employee disease.
- (e) Contractor shall agree these General Conditions constitute an insured contract and shall name Buncombe County as an additional insured under the Commercial General Liability policy. Before commencing work and for any subsequent renewals, Contractor shall furnish the County with certificates of insurance evidencing the above coverages and amounts on an approved form. Contractor hereby grants the County a waiver of any right of subrogation which any insurer of said Contractor may acquire against the County by virtue of payment of any loss under such insurance. Contractor agrees to

obtain any endorsement that may be necessary to affect this waiver of subrogation. Each insurance policy required above shall state that coverage shall not be canceled, except with written notice to the County and delivered in accordance with the policy provisions. All insurance shall be procured from reputable insurers authorized and qualified to do business in North Carolina and in a form acceptable to the County. The limits of coverage under each insurance policy maintained by the Contractor shall not be interpreted as limiting the Supplier's liability and obligations. Nothing in this section is intended to affect or abrogate Buncombe County's governmental immunity.

19. Compliance with Laws.

(a) Contractor shall comply with all state, federal, and local laws, ordinances, codes, rules, and regulations governing performance of this Agreement, including but not limited to, equal opportunity employment laws, O.S.H.A., minimum wage and hour regulation, and North Carolina State Building Code regulations.

(b) E-Verify. Contractor shall comply with the requirements of Article 2 of Chapter 64 of the North Carolina General Statutes. Contractor shall also require any and all of its subrecipients to comply with the requirements of Article 2 of Chapter 64 of the North Carolina General Statutes as applicable.

(c) Recipients of Buncombe County funds must ensure that any program that involves explicitly religious activities (including activities that involve overt religious content such as worship, religious instruction, and/or proselytization) is separate and distinct from the program that receives direct Buncombe County Funds, and that the distinction is completely clear to the beneficiary (or any potential future beneficiary). Further, recipients of Buncombe County funds shall not discriminate against any beneficiaries (or any potential future beneficiaries) of the goods, services, or disbursements funded by this Agreement on the basis of any beneficiaries' (or potential future beneficiaries') religion, religious belief, refusal to participate in a religious practice, or on the basis of race, age, color, gender, or national origin.

20. Compliance with Federal Uniform Guidance. The award terms and conditions provide that the requirements of the Uniform Guidance, 2 C.F.R. Part 200, apply to awards other than such provisions as U.S. Treasury may determine are inapplicable to the award and subject to such exceptions as may be otherwise provided. As such, recipients are required to follow 2 C.F.R. Part 200 Subparts A, B, C, and F of the Uniform Guidance for expenses categorized under Expenditure Category "Revenue Replacement." However, given the purpose and very broad scope of eligible uses of the revenue replacement funds, only a subset of the requirements in Subparts D and E of the Uniform Guidance apply. The applicable requirements are listed below.

Uniform Guidance Subpart D and E Requirements Applicable to Revenue Loss Funds  
Used for the Provision of Government Services

Subpart D Post Federal Award Requirements

- 200.300 Statutory and national policy requirements.
- 200.302 Financial management.

- 200.303 Internal controls.
- 200.328 Financial reporting.
- 200.329 Monitoring and reporting program performance.
- Record Retention and Access (2 C.F.R. 200.334 – 200.338)
  - o 200.334 Retention requirements for records.
  - o 200.335 Requests for transfer of records.
  - o 200.336 Methods for collection, transmission, and storage of information.
  - o 200.337 Access to records.
  - o 200.338 Restrictions on public access to records.

21. Counterparts. The individual signatories below have the expressed and implied authority on behalf of their respective Boards to execute this Agreement. The Parties may execute this Agreement in separate counterparts and the execution of a copy shall have the same effect as the execution of an original. Such execution may be by facsimile or PDF attachment to an email.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed pursuant to authorization obtained in a duly adopted resolution or has otherwise been duly authorized to sign on behalf of their respective organization.

{Signature Pages Follow}

NOW THEREFORE, the parties hereby make, agree, and execute this Agreement by the below signatures of duly authorized officials or agents.

CONTRACTOR

By: \_\_\_\_\_  
Matthew Raker, Executive Director

\_\_\_\_\_  
(Date)

STATE OF NORTH CAROLINA  
COUNTY OF BUNCOMBE

I, \_\_\_\_\_, a Notary Public of the county and State aforesaid, do hereby certify that Matthew Raker personally appeared before me this day and voluntarily acknowledged the due execution of the foregoing instrument.

Witness my hand and notarial seal this \_\_\_\_ day of \_\_\_\_\_, 2024.

My commission expires: \_\_\_\_\_.  
Notary Public



BUNCOMBE COUNTY

By: \_\_\_\_\_  
Avril Pinder, County Manager

\_\_\_\_\_  
(Date)

STATE OF NORTH CAROLINA  
COUNTY OF BUNCOMBE

I, \_\_\_\_\_, a Notary Public of the county and State aforesaid, do hereby certify that Avril Pinder personally appeared before me this day and voluntarily acknowledged the due execution of the foregoing instrument.

Witness my hand and notarial seal this \_\_\_\_ day of \_\_\_\_\_, 2024.

My commission expires: \_\_\_\_\_.  
Notary Public

This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act.

\_\_\_\_\_  
Melissa Moore  
Buncombe County Finance Director

## APPENDICES

Exhibit A: Subaward Information form

Exhibit B: Scope of Work

Exhibit C: Project Budget

Exhibit D: Subrecipient Policy

Exhibit E: Subrecipient Risk Assessment

**Exhibit A: Subaward Information form**

<b>Subrecipient Name:</b>	Mountain BizWorks, Inc.
<b>Subrecipient Employer Identification Number (EIN):</b>	14-1864873
<b>Subrecipient Unique Entity Identifier (UEI):</b>	C6ULKFNE5985
<b>Federal Award Identification Number (FAIN):</b>	SLFRP0314
<b>Federal Award Date:</b> (Date of award to Buncombe County by the Federal agency)	May 19, 2021
<b>Subaward Period of Performance:</b> (Start and end date)	11/20/2024 – 12/31/2026
<b>Amount of Federal Funds Obligated by this Action:</b> (by Buncombe County to the subrecipient)	\$1,597,053.34
<b>Total Amount of Federal Funds Obligated to the Subrecipient by Buncombe County:</b>	\$1,597,053.34
<b>Federal Award Project Description</b> (Responsive to the Federal Funding Accountability and Transparency Act or FFATA)	Coronavirus State and Local Fiscal Recovery Funds (SLFRF).
<b>Name of Federal Awarding Agency:</b>	US Treasury
<b>Name of Pass-Through Entity:</b>	Buncombe County
<b>Name &amp; Contact Information for Federal Awarding Official:</b>	Janet Yellin, Secretary of the Treasury (202) 622-2000 1500 Pennsylvania Avenue, NW Washington, D.C. 20220
<b>Name &amp; Contact Information for Buncombe County Project Director:</b>	Rachael Nygaard (828) 250-6536 rachael.nygaard@buncombecounty.org
<b>CFDA Number and Name:</b>	CFDA 21.027
<b>Identification of whether subaward is R&amp;D:</b> (research and development activities)	No
<b>Indirect cost rate for the Federal award:</b> (including if the de minimis rate charged per § 200.414 Indirect (F&A) costs) – if applicable	N/A

## Exhibit B: Scope of Work

Subrecipient shall:

1. Work toward a strong and equitable recovery from COVID-19 and its negative economic impacts by delivering the following project:

Mountain BizWorks will support provisions of government services and post-Helene recovery efforts through its Asheville-Buncombe Rebuild Together grant program. Mountain BizWorks will provide recovery grants to small business located in Buncombe County that were impacted by Hurricane Helene. The project is intended to provide local, small business with assistance for costs not covered by insurance or other funding sources. The grants will support a range of costs to help rebuild and reopen such as clean-up, replacing lost inventory, temporary water solutions, payroll, and more.

2. Utilize grant funding to undertake the following activities:
  - a. Provide grants, up to \$25,000, to small business located in Buncombe County
  - b. Review grant applications, vet, and make award determinations based on eligibility
  - c. Review and approve all costs being requested for reimbursement deemed eligible under the terms of the grant
3. Submit expense reports to Buncombe County in County-provided reporting workbook by the 15<sup>th</sup> of each month until project completion as detailed in Contract Section 3.2. Payment of Funds.
4. Submit reports on grant-funded activities and outcomes to Buncombe County in County-provided reporting workbook by the 15<sup>th</sup> of each month until project completion, including the following information for the reporting period and project-to-date:
  - a. Narrative project update
  - b. Project status (select one)
    - Not started
    - Completed less than 50 percent
    - Completed 50 percent or more
    - Completed
  - c. # of business served
  - d. # of employees retained by the grant
  - e. % of business served that are BIPOC and women owned
  - f. % breakdown by demographics that can be captured
  - g. # of businesses reopened within 6 months
  - h. # of businesses by industry served
  - i. # of businesses served by ZIP code and/or municipality

## Coronavirus State and Local Fiscal Recovery Funds

### Exhibit C: Project Budget

<b>Organization Name:</b>	Mountain BizCapital, Inc. dba Mountain BizWorks
<b>Project Name:</b>	Asheville Buncombe Rebuilding Together Grants
<b>Amount Requested:</b>	\$1,597,053.34

Proposed Project Revenue Funder	Amount	Confirmed or Pending?	Notes
Buncombe COVID Recovery Funds	\$ 1,597,053.34	Confirmed	
<b>Total</b>	\$ 1,597,053.34		

Proposed Project Expenses	Original Recovery Funds	Proposed Recovery Funds	Other Funds	Total	Capital or Operating Expense?
Small Business Helene Disaster Recovery Grants		\$ 1,557,127.34		\$ 1,557,127.34	Capital
Program Administration Fee (2.5%)		\$ 39,926.00		\$ 39,926.00	Operating
				\$ -	
				\$ -	
				\$ -	
				\$ -	
				\$ -	
				\$ -	
				\$ -	
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				\$ -	
				\$ -	
				\$ -	
				\$ -	
				\$ -	
<b>Subtotal</b>		\$ 1,597,053.34	\$ -	\$ 1,597,053.34	
		<b>Total</b>	\$ 1,597,053.34		

**Buncombe County Coronavirus State and Local Fiscal Recovery Funds  
Subrecipient Policy**

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**I. POLICY OVERVIEW**

[Title 2 U.S. Code of Federal Regulations Part 200](#), (2 CFR 200) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, commonly called Uniform Guidance (UG), specifically Subpart D, defines requirements of pass-through entities initiating subaward agreements with Coronavirus State and Local Fiscal Recovery Funds of H.R. 1319 American Rescue Plan Act of 2021 (SLFRF). Buncombe County shall adhere to all applicable subaward and monitoring requirements governing the use of SLFRF. This policy establishes procedures for classifying, making an award to, and monitoring a sub-recipient consistent with SLFRF grant award terms and all applicable federal regulations in the UG.

Responsibility for following these guidelines lies with the County Manager and designees who are charged with the administration and financial oversight of the [SLFRF].

**II. DEFINITIONS**

The definitions in 2 CFR 200.1 apply to this policy, including the following:

**Contract:** for the purpose of Federal financial assistance, a legal instrument by which a recipient or subrecipient purchases property or services needed to carry out the project or program under a Federal award. For additional information on subrecipient and contractor determinations, see [§ 200.331](#). See also the definition of subaward in this section.

**Contractor:** an entity that receives a contract as defined in this section.

**Pass-through Entity:** a non-Federal entity that provides a subaward to a subrecipient to carry out part of a Federal program.

**Recipient:** an entity, usually but not limited to non-Federal entities that receives a Federal award directly from a Federal awarding agency. The term recipient does not include subrecipients or individuals that are beneficiaries of the award.

**Subaward:** an award provided by a pass-through entity to a subrecipient for the subrecipient 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 an individual that is a beneficiary of a Federal program. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract.

**Subrecipient:** an entity, usually but not limited to non-Federal entities, that receives a subaward from a pass-through entity to carry out part of a Federal award; but does not include an individual

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**Subrecipient Policy**

that is a beneficiary of such award. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency.

**III. SUBRECIPIENT CLASSIFICATION**

Buncombe County must make a case-by-case determination whether an agreement with another government entity or private entity, that is not a beneficiary, casts the party receiving the funds in the role of a subrecipient or contractor. 2 CFR 200.331.

A subaward is for the purpose of carrying out a portion of a Federal award and creates a Federal assistance relationship with the subrecipient. Characteristics which support the classification of the non-Federal entity as a subrecipient include when the non-Federal entity:

- (1) Determines who is eligible to receive what Federal assistance;
- (2) Has its performance measured in relation to whether objectives of a Federal program were met;
- (3) Has responsibility for programmatic decision-making;
- (4) Is responsible for adherence to applicable Federal program requirements specified in the Federal award; and
- (5) In accordance with its agreement, uses the Federal funds to carry out a program for a public purpose specified in authorizing statute, as opposed to providing goods or services for the benefit of the pass-through entity.

A contract is for the purpose of obtaining goods and services for the non-Federal entity's own use and creates a procurement relationship with the contractor. Characteristics indicative of a procurement relationship between the non-Federal entity and a contractor are when the contractor:

- (1) Provides the goods and services within normal business operations;
- (2) Provides similar goods or services to many different purchasers;
- (3) Normally operates in a competitive environment;
- (4) Provides goods or services that are ancillary to the operation of the Federal program; and
- (5) Is not subject to compliance requirements of the Federal program as a result of the agreement, though similar requirements may apply for other reasons.

In determining whether an agreement between a pass-through entity and another non-Federal entity casts the latter as a subrecipient or a contractor, the substance of the relationship is more important than the form of the agreement. All of the characteristics listed above may not be present in all cases, and the pass-through entity must use judgment in classifying each agreement as a subaward or a procurement contract.

Buncombe County will use the above criteria to determine if an agreement involving the expenditure of SLFRF is a contract or subaward. Strategic Partnerships staff will document the determination in the Subrecipient or Contractor Classification Checklist in Appendix 1.

If the agreement involves a contractor relationship (including a contract for services), Buncombe County must follow its Procurement Policy when entering into a contract.

If the agreement involves a subrecipient relationship, Buncombe County must proceed to Sections IV. through VII. below.

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Subrecipient Policy**

**IV. ASSESSMENT OF RISK**

Before engaging in a subaward, Buncombe County must evaluate a subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward to determine whether to award the subaward and the appropriate subrecipient monitoring.

Strategic Partnerships staff will conduct the risk assessment, which will include consideration of the following factors:

- (1) The subrecipient's prior experience with the same or similar subawards;
- (2) The size and scope of the award relative to the subrecipient's overall operations and budget;
- (3) The results of previous audits including whether or not the subrecipient receives a Single Audit in accordance with 2 CFR 200 Subpart F and the extent to which the same or similar subaward has been audited as a major program;
- (4) Whether the subrecipient has new personnel or new or substantially changed systems; and
- (5) The extent and results of Federal awarding agency monitoring (*e.g.*, if the subrecipient also receives Federal awards directly from a Federal awarding agency). 2 CFR 200.332(b).

Buncombe County will assign an overall risk level to the subrecipient indicating the following:

<b>Standard Risk</b>	<b>Enhanced Risk</b>	<b>High Risk</b>
<p>There is a low risk that the subrecipient will fail to meet project or programmatic objectives or incur significant deficiencies in financial, regulatory, reporting, or other compliance requirements.</p> <p>General guidelines:</p> <ul style="list-style-type: none"> <li>• No audit findings</li> <li>• Minor audit findings and assessed as low risk by auditor</li> <li>• Successful history with federal awards</li> <li>• Seasoned staff and systems</li> </ul>	<p>There is moderate risk that the subrecipient will fail to meet project or programmatic objectives or incur significant deficiencies in financial, regulatory, reporting, or other compliance requirements.</p> <p>General guidelines:</p> <ul style="list-style-type: none"> <li>• Organization without prior experience with federal awards</li> <li>• Newer staff or systems</li> <li>• Limited prior audits</li> </ul>	<p>There is high risk that the subrecipient will fail to meet project or programmatic objectives or incur significant deficiencies in financial, regulatory, reporting, or other compliance requirements.</p> <p>General guidelines:</p> <ul style="list-style-type: none"> <li>• No prior audits</li> <li>• Prior audit findings with major deficiencies or material weaknesses</li> <li>• Organization without sufficient personnel, accounting systems, and internal controls</li> </ul>

The assessed level of risk will be documented in the Subrecipient Assessment of Risk form in Appendix 2, placed in the subrecipient files, and communicated to the subrecipient in writing. Notification to subrecipients will include: assessed level of risk, rationale for assessed level of risk, and required monitoring conditions. Buncombe County will re-evaluate subrecipient risk levels throughout the period of performance and may adjust assessed risk levels as appropriate. Subrecipients may request reconsideration of their assessed risk level at any time, and the Strategic Partnerships Director will consult with County Attorney(s) and make a determination about whether to modify the assessed risk level.



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Subrecipient Policy**

**V. SUBRECIPIENT MONITORING**

Buncombe County will develop and implement a subrecipient monitoring plan for the particular subaward based on the findings of the Subrecipient Assessment of Risk. According to 2 CFR 200.332(d), the monitoring plan must involve:

- (1) Reviewing financial and performance reports required by the pass-through entity.
- (2) Following-up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the subrecipient from the pass-through entity detected through audits, on-site reviews, and written confirmation from the subrecipient, highlighting the status of actions planned or taken to address Single Audit findings related to the particular subaward.
- (3) Issuing a management decision for applicable audit findings pertaining only to the Federal award provided to the subrecipient from the pass-through entity as required by 2 CFR [200.521](#).
- (4) The pass-through entity is responsible for resolving audit findings specifically related to the subaward and not responsible for resolving crosscutting findings. If a subrecipient has a current Single Audit report posted in the Federal Audit Clearinghouse and has not otherwise been excluded from receipt of Federal funding (e.g., has been debarred or suspended), the pass-through entity may rely on the subrecipient's cognizant audit agency or cognizant oversight agency to perform audit follow-up and make management decisions related to cross-cutting findings in accordance with section 2 CFR [200.513\(a\)\(3\)\(vii\)](#). Such reliance does not eliminate the responsibility of the pass-through entity to issue subawards that conform to agency and award-specific requirements, to manage risk through ongoing subaward monitoring, and to monitor the status of the findings that are specifically related to the subaward.

Buncombe County's monitoring plan will vary based on the overall subrecipient risk assessment as standard risk, enhanced risk, or high risk, detailed as follows:

<b>Standard Risk</b>	<b>Enhanced Risk</b>	<b>High Risk</b>
<ul style="list-style-type: none"> <li>• Payment validations (monthly)</li> <li>• Report reviews (monthly)</li> <li>• Audit review (yearly)</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance training (initial &amp; as needed)</li> <li>• Payment validations (monthly)</li> <li>• Report reviews (monthly)</li> <li>• Audit review (yearly)</li> <li>• Desk reviews (within 6 months of project start)</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance training (initial &amp; as needed)</li> <li>• Payment validations (monthly)</li> <li>• Report reviews (monthly)</li> <li>• Audit review (yearly)</li> <li>• Desk reviews (within 6 months of project start)</li> <li>• Onsite reviews (within 12 months of project start)</li> </ul>

**Payment validation:** All subrecipient documentation for project expenditures must be reviewed by Buncombe County for compliance with subaward requirements. Any non-compliant expenditures will be denied and the subrecipient will be provided a reasonable description of the reason for denial and an opportunity to cure the deficiency. For a subrecipient on a reimbursement-based payment structure, the validation will occur before a reimbursement payment is approved. For a subrecipient that received an up-front payment, any funds found to have been expended in violation of the subaward requirements must be repaid to Buncombe County or deducted from a subsequent invoice.

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**Report review:** A subrecipient must submit monthly financial and performance reports, based on the schedule set forth in the subaward. The nature and scope of the reports will depend on the project and be spelled out in the subaward. The reports will be reviewed by Strategic Partnerships staff. Any deficiencies or other performance concerns will be addressed with the subrecipient in a timely manner and could trigger additional monitoring requirements or other interventions, as specified in the subaward.

**Desk review:** Buncombe County will conduct a meeting to review the subrecipient's award administration capacity and financial management. The meeting may be held virtually or in person. Topics covered will depend on project scope and subrecipient risk assessment and may include governance, budgeting, accounting, internal controls, conflict of interest, personnel, procurement, inventory, and record keeping. Buncombe County will produce a report which summarizes the results and any corrective actions if deemed necessary. The report will be shared in a timely manner with the subrecipient.

**Onsite review:** Buncombe County will conduct an onsite meeting at the subrecipient's location to review the subrecipient's project performance and compliance. Topics covered will depend on project scope and subrecipient risk assessment and may include project procurement, data systems, activity and performance tracking, project reporting, inventory, and software systems. Buncombe County will produce a report which summarizes the results and any corrective actions deemed necessary. The report will be shared in a timely manner with the subrecipient.

**Audit review:** Buncombe County must verify that every subrecipient is audited as required by [2 CFR 200 Subpart F](#) (Single Audit) when it is expected that the subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in 2 CFR [200.501](#). Buncombe County must obtain a copy of the subrecipient's Single Audit from the Federal Audit Clearinghouse (FAC). Within six months of the acceptance of the audit report by the FAC, Buncombe County will issue a management decision for any audit findings related to the subaward. The decision will clearly state whether or not the audit finding is sustained, the reasons for the decision, and the expected auditee action to repay disallowed costs, make financial adjustments, or take other action. (The decision will include reference numbers the auditor assigned to each finding.) The decision will provide a timetable for responsive actions by the subrecipient. Prior to issuing the management decision, Buncombe County may request additional information or documentation from the auditee, including a request for auditor assurance related to the documentation, as a way of mitigating disallowed costs.

The specific monitoring plan for each subrecipient, including the type and frequency of reviews, will be detailed in the subaward agreement. For all requirements beyond those listed under the StandardRisk category above, Buncombe County will notify the subrecipient of the following in the subaward:

- (1) The nature of the additional requirements;
- (2) The reason why the additional requirements are being imposed;
- (3) The nature of the action needed to remove the additional requirement, if applicable;
- (4) The time allowed for completing the actions if applicable; and
- (5) The method for requesting reconsideration of the additional requirements imposed.

To implement the monitoring plan, Strategic Partnerships staff must perform periodic reviews and document findings.

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The following subrecipient monitoring activities will be tracked for each subrecipient: Compliance training; Payment validations; Report reviews; Audit reviews; Desk reviews; and Onsite reviews. Tracking will include date completed, by whom, and notes about any subrecipient interventions

**VI. SUBRECIPIENT INTERVENTIONS**

Buncombe County may adjust specific subaward conditions as needed, in accordance with 2 CFR 200.208 and 2 CFR 200.339. If Buncombe County determines that the subrecipient is not in compliance with the subaward, Buncombe County may institute an intervention. The degree of the subrecipient's performance or compliance deficiency will determine the degree of intervention. All possible interventions must be indicated in the subaward agreement.

Buncombe County must provide written notice to the subrecipient of any intervention within thirty days of the completion of a report review, desk review, onsite review, audit review, or procedures engagement review or as soon as possible after Buncombe County otherwise learns of a subaward compliance or performance deficiency.

Pursuant to 2 CFR 200.208, the written notice must notify the subrecipient of the following related to the intervention:

- (1) The nature of the additional requirements;
- (2) The reason why the additional requirements are being imposed;
- (3) The nature of the action needed to remove the additional requirement, if applicable;
- (4) The time allowed for completing the actions if applicable; and
- (5) The method for requesting reconsideration of the additional requirements imposed.

The following interventions may be imposed on a subrecipient, based on the level of the compliance or performance deficiency:

**Level 1 Interventions.** These interventions may be required for minor compliance or performance issues. (Basic follow-up steps or corrective actions)

- (1) Subrecipient addresses specific internal control, documentation, financial management, compliance, or performance issues within a specified time period
- (2) More frequent or more thorough reporting by the subrecipient
- (3) More frequent monitoring by Buncombe County
- (4) Required subrecipient technical assistance or training

**Level 2 Interventions.** These interventions may be required, in addition to Level 1 interventions, for more serious compliance or performance issues.

- (1) Restrictions on funding payment requests by subrecipient
- (2) Disallowing payments to subrecipient
- (3) Requiring repayment for disallowed cost items
- (4) Imposing probationary status on subrecipient

**Level 3 Interventions.** These interventions may be required, in addition to Level 1 and 2 interventions, for significant and/or persistent compliance or performance issues.

- (1) Temporary or indefinite funding suspension to subrecipient
- (2) Nonrenewal of funding to subrecipient in subsequent year
- (3) Terminate funding to subrecipient in the current year

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- (4) Initiate legal action against subrecipient

**VII. SUBAWARD AGREEMENT & EXECUTION**

The subaward agreement will be drafted by Strategic Partnerships staff using the Subaward Agreement Template. After review by Buncombe County Legal and Finance departments and any other necessary business process approvals within the contracts software, the authorized signer based on Buncombe County's contracts policy may fully execute the subaward agreement.

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**Exhibit E: Subrecipient Risk Assessment**

*Section 1: To be completed by Subrecipient*

**ORGANIZATION INFO**

<b>Subrecipient Name:</b>	
<b>Subrecipient Employer Identification Number (EIN):</b>	
<b>Subrecipient UEI (Unique Entity Identifier) Number:</b>	
<b>Type of Entity:</b> (e.g. unit of government, nonprofit, corporation)	
<b>Is the organization prohibited from receiving Federal funds due to suspension or debarment per the Excluded Parties List located on the System for Award Management (SAM)?</b>	
<b>Is the organization registered with SAM.gov? (If not, please complete this registration)</b>	

**PERSONNEL**

<b>Role</b>	<b>Name</b>	<b>Length of Time in Position</b>
<b>Governing Board Chair:</b>		
<b>Governing Board Treasurer:</b> (if applicable)		
<b>Governing Board Secretary:</b> (if applicable)		
<b>Executive Director/Chief Executive Officer:</b>		
<b>Chief Finance Officer:</b>		
<b>Other Personnel Key to Subaward:</b>		

**AUDITS**

<b>Fiscal Year Start Date:</b>	
<b>Fiscal Year End Date:</b>	

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**Exhibit E: Subrecipient Risk Assessment**

<b>Date of fiscal year ending for most recent audit of financial statements:</b>	
<b>Is most recent audit on file with Buncombe County?</b>	
<b>Total Amount of Federal awards expended in most recent audit year:</b>	
<b>Was most recent audit a Single Audit or Program-Specific Audit as required by Federal Uniform Guidance? Please explain:</b>	
<b>Were there any relevant findings in recent audits? Please explain:</b>	
<b>Is most recent audit on file with Buncombe County?</b>	

**EXPERIENCE WITH FEDERAL AWARDS AND SUBAWARDS**

List any Federal grants or financial assistance, including subawards, received in the past five years:

Note - If subrecipient completes a Schedule of Expenditures of Federal and State Awards (SEFA/SEFSA) as part of audit, individual awards do not need to be listed here.

Grant	Grantor	Amount	Period of Performance

**ORGANIZATIONAL STABILITY**

<b>Have there been any recent major changes to organizational structure? Please explain:</b>	
<b>Have there been any recent major changes relating to operations, such as substantially changed systems? Please explain:</b>	

**FORM PREPARED BY**

<b>Name</b>	
<b>Title</b>	
<b>Date</b>	

**Buncombe County Coronavirus State and Local Fiscal Recovery Funds**

**Exhibit E: Subrecipient Risk Assessment**

**Section 2: To be completed by Buncombe County**

**Subrecipient Information:**

Subrecipient Name	
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Choose an item.	Is the entity prohibited from receiving Federal funds due to suspension or debarment per the Excluded Parties List located in the System for Award Management (SAM)? ( <a href="https://sam.gov/content/home">https://sam.gov/content/home</a> )
Choose an item.	Is the entity in good standing with Buncombe County? Discuss with appropriate staff.

Does the proposed subrecipient receive a Single Audit? If yes, what is the subrecipient's assessed risk level in the most recent Single Audit?	
If not subject to Single Audits, does the organization have audited annual financial statements for the most recently completed fiscal year? If no, please explain.	
Have there been any recent audit findings? If yes, please summarize the findings and state whether they would be considered minor findings or major findings.	
Is the entity experienced in managing federal funds of the scope of this proposed subaward? If no, please explain.	
Does the organization have qualified and seasoned organizational and project staff? If no, please explain.	
Does the organization have stable systems in place for programmatic, financial, regulatory, and other compliance requirements? If no, please explain.	
<b>Considering all above factors, assess initial overall level of risk</b>	
<b>If assigning a risk level of "Enhanced" or "High" briefly explain the reason.</b>	

Initial Risk Assessment Completed By:

Date of Initial Assessment: