Chowan County Board of Commissioners
Regular Meeting

Monday, August 18, 2025
Northern Chowan Community Center
2869 Virginia Road
Tyner, NC 27980
6:00pm

This meeting will be held at the Northern Chowan Community Center
Please note this change from our regular meeting location!

AGENDA

Regular Meeting

a. Call to Order
b. Pledge
c. Invocation Commissioner Taylor

1. **Approval of Draft Agenda**

2. **Public Comment**
In accordance with NCGS 153A-52.1 The Board will allow a maximum of 3 minutes per speaker during the Public Comment Period.

3. **Consent Agenda**
All items on the Consent Agenda are considered routine and may be enacted by one motion. If a County Commissioner requests discussion on an item, the item will be removed from the Consent Agenda and considered separately.

a. Approval of Minutes
Minutes of the June 25, 2025 and July 31, 2025 Opioid Settlement Funds Committee Meetings and July 14, 2025 Regular Meeting.

4. **Auto-Aid Agreement Center Hill Crossroads Volunteer Fire Department and Hobbsville Volunteer Fire Department**
   Chief LW Nixon will provide the Board with information on an auto-aid agreement between Center Hill Crossroads Volunteer Fire Department and Hobbsville Volunteer Fire Department.

5. **USDA Lease of County Owned Property**
   USDA currently leases office space in the Ag Building. USDA currently pays an annual rent of $19,080. The lease is up for renewal and USDA proposes to pay an annual rent of $36,040 to include additional operational costs in the rental payment.

6. **John A Holmes High School Change Order**
   The Board will consider a change order in the amount of $40,000 for the installation of film to the windows. The purpose of the film is to protect the congregating areas in the event the facility is utilized as a Shelter during a storm.

7. **Financial Items**
   Ms. Smith will present the following:

   a. 2026 Budget Amendments
      2026-005
      2026-006
      2026-007
      2026-008

   b. ARPA Policies
      The Board will consider adoption of an Internal Control Policy and Procurement Policy as required for expenditure of the ARPA grant funds.

8. **External Board/Committee Report**
   Board members are asked to report on the activities of the external boards to which they have been appointed.

9. **Manager's Report**
   County Manager Kevin Howard will update the Board on any pending matters.

10. **Timely and Important Matters**

11. **Closed Session**
    The Board will hold a closed session to meet in accordance with NCGS 143-318-11 (a) (5) Contract Negotiations.

12. **Adjourn**

Chowan County Board of Commissioners
Opioid Settlement Funds Committee
Meeting
Wednesday, June 25, 2025
Chowan County Public Safety Center
305 West Freemason Street
4:00pm

Present: Committee Chair Tray Taylor, County Manager Kevin Howard, Finance Officer Cathy Smith, Edenton Town Councilman Aaron Coston, Sheriff Edward Basnight, Edenton Chowan Schools Virginia Jones,

Present by phone: Trillium Health Vice President Bobbie Lowe and Health Department Deputy Director Amy Underhill.

Advisory Members Present: Board Clerk Susanne Stallings and NENC Partnership for Public Health Julie Tunney were present.

Absent: EMS Director Colin Ryan and DSS Director Tyeshia Phelps

Call to order
Chairman Tray Taylor called the committee meeting to order.

March Opioid Summit
Chairman Tray Taylor stated that one of the items he enjoyed most from the summit was the information on peer support programming.

Finance Officer Cathy Smith stated the conference provided good information and there were powerful speakers. She stated most of the sessions she attended reviewed reporting. She noted that many Counties are utilizing the funding for post recovery support through EMS. She stated that Commissioner from Perquimans County has indicated that they would like to look into partnering with Chowan for a joint position.

Discussion and Ideas for use of the Chowan Settlement Funds
Mr. Howard stated that he would like to bring the Commissioners a recommendation from the Committee this fall. He stated he has spoken with Managers from Gates and Perquimans Counties, and both have indicated there is a possibility to partner for an EMS post overdose response position. He reminded the Committee that the funds Chowan County will receive are limited and will be around $1.3 million over 18 years.

Ms. Smith stated that Chowan has received around $404,000 and spreading the funds over 20 years would mean that the County could spend around $50,000 per year.

Councilman Coston asked if a subcommittee could be formed to work with neighboring counties.

Committees noted that neighboring counties have shown interest in partnering.

Mr. Howard agreed the interest is there.

Councilman Coston asked if Chowan has reached out to Dare County to get information on their current programs.

Mr. Howard stated that the EMS Director has reached out to Dare.

Ms. Tunney noted that some counties are receiving grant funds for post overdose response.

Mr. Coston stated that the needs in the County need to be identified.

Mr. Howard stated that ideally the counties could partner with one agency managing the funds. He stated that many counties who have their own health department are spending their settlement funds within the Health Department. He noted that Chowan and many neighboring counties partner for a regional health department. He stated he had originally hoped the Health Department would show interest in developing programming and utilize the funds. He stated that the concern of partnering with neighboring counties is how to hold agencies accountable. He discussed a regional partnership currently in place between Gates, Perquimans Chowan and Bertie for a local re-entry program that assists individuals that are justice involved with job skills and placement.

Committee members agreed that a list of local needs or suggestions for use of the funds is the first step. Committee members asked that the Clerk resend a PowerPoint from a previous meeting that details the allowable uses for the funding.

Ms. Smith noted that counties must select Option A or Option B.

Committee members discussed programming in neighboring counties.

Sheriff Basnight discussed a vending machine in Pitt County that distributes Narcan. He stated that many individuals dealing with addiction are scared to utilize the vending machines.

Ms. Lowe noted that she will forward the committee information on a vending machine that was placed in Warren County.

Mr. Howard noted that EMS is currently advertising for an assistant director in EMS. He stated that the person who fills this position would be brought up to speed on the efforts of this committee.

Ms. Lowe shared information on interest from a local judge for Adult Treatment Court which is an approved option for use of the funds. She noted that Dare County has this in place.

Kristy LaLonde was observing the meeting stated that she is a substance abuse counselor. She stated that she plans to attend the committee meetings to provide insight. She noted that many people are reluctant to utilize post overdose response programs. She stated that trust is a major issue. She stated she felt collaborating with neighboring counties is a good idea. She stated there are no treatment options in Chowan County.

Mr. Howard stated that he felt putting programming in place in EMS is the best option to start with.

Ms. Lowe stated that Trillium will be sending 130 Narcan kits to Chowan County soon.

Next Meeting

It was decided that the next Opioid Settlement Funds Committee Meeting will be on July 31st at 4:00pm.

Adjourn

Being no further business, Chairman declared the meeting adjourned.

_____ _____

Tray Taylor, Chairman Susanne Stallings, Clerk

Chowan County Board of Commissioners
Opioid Settlement Funds Committee
Meeting
Thursday, July 31, 2025
Chowan County Public Safety Center
305 West Freemason Street
4:00pm

Present: Committee Chair Tray Taylor, County Manager Kevin Howard, Finance Officer Cathy Smith, Edenton Town Councilman Aaron Coston, DSS Director Tyeshia Phelps, Edenton Chowan Schools Tanya Blount and Trillium Health Vice President Bobbie Lowe.

Advisory Members Present: Board Clerk Susanne Stallings and NENC Partnership for Public Health Julie Tunney were present.

Absent: EMS Director Colin Ryan, Health Department Deputy Director Amy Underhill and Sheriff Edward Basnight

Call to order
Chairman Tray Taylor called the committee meeting to order.

Prior to the meeting, committee members were asked to provide a list of suggested uses for the settlement funds. The list is posted below:

Department/Agency	Remediation Strategy or Suggestion	Notes
EMS	Post Overdose Response	Establish a **PORT team**, with **Mobile Integrated Health (MIH)** services integrated into the same structure. Currently, we do not have a high enough volume of overdose cases to justify assigning an employee solely to post-overdose treatment. However, by combining MIH with Post Overdose Response Team (PORT) services, we can effectively serve two key populations: overdose victims and the elderly. This combined MIH/PORT team would follow up with patients flagged by our crews as needing additional support—whether due to an overdose, chronic medical concerns, or other taxing health conditions. The team could also function as a care coordination unit, helping ensure patients receive the necessary guidance, resources, and support to live healthier and safer lives. Currently, two counties to our north run similar programs and have experienced great success. I've been in contact with both, and they've provided us with helpful direction and shared best practices that have worked well for them. My proposal would be to have one employee serve as a coordinator to oversee the team, and at least one additional employee on each shift to assist as part of their regular duties.
NENC Partnership for Public Health	Syringe Services Program	implementing a syringe service program and/or a post-overdose response initiative. Through either of these initiatives one can educate about potential harms and services, provide naloxone, provide clean syringes, and test for HIV and HEPC to name a few things. The Syringe Services Programs(SSP) could reach people using drugs prior to them overdosing whereas a post-overdose response program would focus on following up with those who have already overdosed. A lead agency, resources required, and associated costs would need to be evaluated. A community naloxone distribution program could probably be tacked on to either of these in the future.
DSS	Recovery Support	If an individual is denied for DSS services, funds could be utalized to assist them where they did not qualify

DSS Director Tyeshia Phelps noted that DSS serves individuals that deal with substance abuse issues. She stated that if they are working, they may not qualify for DSS services. She stated that if the Opioid funds could be utilized to assist these individuals with services such as rent (Deposit/rent/utility bills) that would be beneficial.

She also discussed a need for individuals that are receiving treatment for substance abuse, and they are having to travel to Ahoskie or Elizabeth City for the drugs that are often part of the treatment. She stated she would like to know if the funds could be used for a local clinic or for transportation.

Kristy LaLonde stated that the individuals have to go to these clinics daily.

Ms. Phelps noted that she has a client who travels to Ahoskie each day for treatment.

Mr. Howard stated that he would suggest looking into providing transportation.

Mr. Howard noted that he hoped to hold public input sessions in late September or early October.

Ms. Lowe stated she has discussed treatment options for remote treatment through UNC Hospitals. She stated she would send a link to information about the virtual based opioid treatment.

Ms. Tunney discussed her suggestion for implementation of a syringe program and stated she also supports the idea for post overdose response. She stated she would like to see programing also for prevention to reach people before overdose.

Mr. Howard provided information from the EMS Director for his suggestion for the creation of a PORT/MIH position. He stated the position would follow up with all patients that are flagged by crews as needing additional support (overdose, chronic medical concerns or other taxing health conditions).

Mr. Howard stated he hoped to draft a budget where a position is augmented, and part of the salary is paid using the funds. He noted that not all of the funds have to be spent at one time. He stated his goal is to have the program in place by the first part of the year. He noted he would like to have another committee meeting at the end of August. He stated that the committee could bring a recommendation to the Commissioners by the second meeting in September and the Commissioners could vote in October. He encouraged committee members to think of any other ideas and to forward their questions to him.

Mr. Coston stated he would like for someone to speak to the committee about the needs in Chowan County with regards to the opioid epidemic. He stated he would like to see hard numbers.

Mr. Howard stated he would ask the EMS director to get this information noting that the cases in Chowan come in spurts.

Next Meeting

It was decided that the next Opioid Settlement Funds Committee Meeting will be on August 27th at 4:00pm.

Adjourn

Being no further business, Chairman Taylor declared the meeting adjourned.

_____ _____

Tray Taylor, Chairman Susanne Stallings, Clerk

Chowan County Board of Commissioners
Regular Meeting
Monday, July 14, 2025
Chowan County Public Safety Center
305 West Freemason Street
6:00pm

This meeting was recorded. A copy of the recording is in the meeting file labeled July 14, 2025.

Present: Chairman Bob Kirby, Commissioners Larry McLaughlin, Ellis Lawrence, Tray Taylor, Chris Evans and Ron Cummings.

Absent: Commissioner Tony Shaffer and County Manager Kevin Howard

Staff present County Finance Officer Cathy Smith, County Attorney Lauren Arizaga-Womble and Board Clerk Susanne Stallings.

Regular Meeting
Chair Kirby called the regular meeting to order and then led the pledge of allegiance.

Commissioner McLaughlin then offered the invocation.

Approval of Agenda
Ms. Stallings noted the addition of one item to the agenda, item 9a NCACC Conference and assignment of voting delegate.

Commissioner Cummings moved to approve the agenda as amended.

Chair Kirby asked for all in favor, the motion passed unanimously (6-0).

Public Comment
Chair Kirby opened the floor for public comment.

Vicki Sherbs, 420 Captains Cove, Edenton stated her concern with the Board's decision to not reappoint Sherrone Battle to the Library Board. She stated that she felt the decision was made with a lack of transparency. She stated had the public known that the Board would have not reappointed Ms. Battle they would have come to speak in favor of her reappointment. She stated that Board members should have requested more proof regarding discussions of the Library Board regarding Veterans Programming. She stated her disappointment in the Board's handling and reminded the Board that the voters were listening.

Chair Kirby called for any further public comment, there was none.

Consent Agenda

Minutes

The Board will review and consider approval of the June 16, 2025, meeting minutes.

Surplus

The Board will consider the following list of items to be declared surplus and consider approval of the recommended method for disposal:

Item/ Description	VIN or Asset ID	Method for Disposal
Typhoon Full Function Siren		Gov Deals
Cup Holder Radio Mount		Gov Deals
Seven (7) Speed Turtle Flash Modules		Gov Deals

Commissioner McLaughlin moved to approve the consent agenda as presented. Chair Kirby asked for all in favor, the motion passed unanimously (6-0).

NCACC Annual Conference

Youth Delegate Introduction

Extension Agent Camaryn Byrum introduced the 2025 Youth Voice Delegate, Mason Conner who will be representing Chowan County at the 2025 Annual Conference.

Mr. Conner shared his experiences with 4H and the various activities that he has participated in. He stated he looked forward to representing Chowan County at the Annual Conference.

The Board took a group photo with Mr. Conner which will be displayed at the 2025 Youth Voice breakfast.

Tax Items

Tax Administrator Chris Hill will present the following items:

Acceptance of Settlement of Current Year Taxes

Tax Administrator Chris Hill provided the Board with the Annual Tax Settlement of Real Property, Public Utility Certified Valuation and Personal Property other than Registered Motor Vehicles.

ANNUAL TAX COLLECTION SETTLEMENT OF REAL PROPERTY, PUBLIC UTILITY CERTIFIED VALUATION, AND PERSONAL PROPERTY OTHER THAN REGISTERED MOTOR VEHICLES

July 1, 2025

CHOWAN COUNTY, NC

YEAR END JUNE 30, 2025

GENERAL FUND ORIGINAL LEVY	$12,134,102.72
FIRE DISTRICT ORIGINAL LEVY	$796,146.86
TOTAL ORIGINAL LEVY	**$12,930,249.58**
ADD:	
DISCOVERIES/AFTERLISTS	$535,557
TOTAL LEVY	**$13,465,806.58**
LESS:	
RELEASES	$17,672
NET LEVY	**$13,448,135**
COLLECTED	**$13,169,909**
UNCOLLECTED AS OF JUNE 30, 2025	**$278,265**

PERCENTAGE OF 2024 TAXES COLLECTED	**97.94%**
PERCENTAGE OF 2024 RMV COLLECTED	**99.81%**

Chair Kirby noted that the delinquent real and personal property tax list that was provided to the Board were not in alphabetical order which makes searching the listing difficult.

Mr. Hill noted that the system generates the report by account number and not by last name. He noted that he will provide the Commissioners with a report in alphabetical order by last name.

Commissioner Evans moved to accept the settlement as presented. Chair Kirby asked for all in favor, the motion passed unanimously (6-0).

ACCEPTANCE OF SETTLEMENT OF CURRENT YEAR TAXES

WHEREAS, the Chowan County Tax Collector has provided a report of persons owning real property whose taxes for the preceding fiscal year remain unpaid and the principal amount owed by each person; and

WHEREAS, the Chowan County Tax Collector has provided a list of persons not owning real property whose personal property taxes for the preceding fiscal year remain unpaid and the principal amount owed by each person; and

WHEREAS, The Chowan County Tax Collector has provided a report of diligent efforts to collect unpaid taxes for the preceding fiscal year and prior years as charged; and

WHEREAS, the list of persons owing taxes (but who listed no real property) for the current fiscal year are found to be insolvent; and

WHEREAS, the Chowan County Tax Collector has provided an accounting of all taxes charged and collected for the current year;

Hereby, be it resolved that the Chowan County Board of County Commissions does hereby accept the settlement of current year taxes as provided by the Chowan County Tax Collector.

Adopted this 14th day of July, 2025.

Commissioner McLaughlin moved to approve the Order to Collect 2025 Taxes and the Order to Collect Taxes Remaining Unpaid. Chair Kirby asked for all in favor, the motion passed unanimously (6-0).

Order to Collect 2025 Taxes

ORDER OF THE CHOWAN COUNTY BOARD OF COMMISSIONERS
IN ACCORDANCE WITH G.S.105-321, G.S. 153A-156 AND G.S. 160A-215.2
FOR THE COLLECTION OF 2025 TAXES

TO: TAX COLLECTOR OF CHOWAN COUNTY, TOWN OF EDENTON

You are hereby authorized, empowered, and commanded to collect the taxes set forth in the 2025 tax records filed in the Office of the Chowan County Tax Collector, and in the tax receipts herewith delivered to you in the amounts and from the taxpayers likewise therein set forth. You are further authorized, empowered, and commanded to collect the 2025 taxes charged and assessed as provided by law for adjustments, changes, and additions to the tax records and tax receipts delivered to you, which are made in accordance with law. Such taxes are hereby declared to be a first lien on all real property of the respective taxpayers in Chowan County, the Town of Edenton, Belvidere Chappell Hill Fire Protection District, Center Hill Crossroads Fire Protection District, Edenton Rural Fire Protection District, and any other special district located within Chowan County; and this order shall be a full and sufficient authority to direct, require, and enable you to levy on and sell, any real or personal property of such taxpayers, and attach wages and/or other funds, of such taxpayers, for and on account thereof, in accordance with law.

You are also hereby authorized, empowered and commanded to administer and to collect taxes on gross receipts derived from retail short-term leases or rentals of motor vehicles as set forth under G.S. 153A-156, gross receipts derived from short-term leases or rentals of heavy equipment as set forth under G.S. 160A–215.2, and Occupancy Taxes as set forth under G.S 153A-155. You are hereby authorized to promulgate such rules and procedures necessary to administer these taxes which are not inconsistent or contrary to applicable law.

WITNESS my hand and official seal, this the 14th day of July, 2025.

Order to Collect Taxes Remaining Unpaid

ORDER OF THE CHOWAN COUNTY BOARD OF COMMISSIONERS
IN ACCORDANCE WITH G.S. 105-373, G.S. 105-321, G.S.105-330.3,
G.S.153A-156 AND G.S. 160A-215.2
FOR THE COLLECTION OF 2024 AND PRIOR YEARS' TAXES

TO: TAX COLLECTOR OF CHOWAN COUNTY, TOWN OF EDENTON

You are hereby authorized, empowered, and commanded to collect the taxes remaining unpaid as set forth in the 2014 through 2024 tax records filed in the Office of the Chowan County Tax Collector, and in the tax receipts herewith delivered to you in the amounts and from the taxpayers likewise therein set forth. You are further authorized, empowered, and commanded to collect the 2014 through 2024 taxes charged and assessed as provided by law for adjustments, changes, and additions to the tax records and tax receipts delivered to you which are made in accordance with law.

You are also hereby authorized, empowered and commanded to administer and to collect taxes on gross receipts derived from retail short-term leases or rentals of motor vehicles as set forth under G.S. 153A-156, gross receipts derived from short-term leases or rentals of heavy equipment as set forth under G.S. 160A–215.2, and Occupancy Taxes as set forth under G.S 153A-155. You are hereby authorized to promulgate such rules and procedures necessary to administer these taxes which are not inconsistent or contrary to applicable law. Such taxes are hereby declared to be a first lien on all real property of the respective taxpayers in Chowan County, the Town of Edenton, Belvidere Chappell Hill Fire Protection District, Center Hill Crossroads Fire Protection District, Edenton Rural Fire Protection District, and any other special district located within Chowan County; and this order shall be a full and sufficient authority to direct, require, and enable you to levy on and sell, any real or personal property of such taxpayers, and attach wages and/or other funds, of such taxpayers, for and on account thereof, in accordance with law.

Taxes on personal property for 2014 and prior years have been deemed insolvent and therefore uncollectible; the Board of Chowan County Commissioners does hereby relieve the tax collector of the charge of collecting taxes on these insolvent bills pursuant to G.S 105-373(g) for 2014 and prior years.

WITNESS my hand and official seal, this the 14th day of July, 2025.

Sheriff request to move a position from Sheriff's Office to Detention Center

Sheriff Edward Basnight presented the Board with a request to move a position from the Sheriff Office budget to the Detention Center budget for 6 months. He stated that moving this position would address needs in the Detention Center. He stated that on January 1st he will request that the position be moved back to the Sheriff Office to hire a deputy.

Chair Kirby asked the Sheriff if he anticipates continuing the position at the Detention Center.

Sheriff Basnight stated it is possible.

Commissioner McLaughlin moved to approve the request as presented. Chair Kirby asked for all in favor, the motion passed unanimously (6-0).

John A. Holmes High School Change Order - Generator

Emergency Management Coordinator Cord Palmer presented the Board with a request for approval of a Change Order in the amount of $21,560 for a redesign of the generator connection for the new high school gym and cafeteria for community use as a storm shelter.

Commissioner Cummings asked if the High School has been used as a shelter in the past.

Mr. Palmer stated yes, the High School has been on the books as a County Shelter for over 20 years.

Board members asked about the use of any existing generators.

Mr. Palmer stated that an additional generator is needed to power the toilets which require electricity (electronic flush) and to run the kitchen for feeding and cover other shelter needs if the shelter is being utilized or activated. He noted that the generator in the current design covers life safety power needs such as refrigeration/freezers.

Board members asked why this was not included in the specs for the high school design.

Mr. Palmer stated this element was missing during the design.

Commissioner McLaughlin asked if an additional generator would be installed on site.

Mr. Palmer stated this redesign would determine if a generator or connection for a generator is the most feasible option.

Chair Kirby stated he spoke with the County Manager about his concerns over this not being included in the design. He stated that Mr. Howard indicated to him that he reminded the school superintendent at that time that the facility was used as a shelter during the design. He noted that ultimately the design of the building is up to the Board of Education.

Commissioner Evans moved to approve the change order for the redesign. Chair Kirby asked for all in favor, the motion passed unanimously (6-0).

Fire Inspector Approval of Fireworks Displays Annual Request

Ms. Stallings stated that in accordance with a resolution adopted by the Board of Commissioners on April 1, 2019, each year, the Fire Inspector may present the Board with a list of pyrotechnic companies that request frequent permits for fireworks displays within Chowan County. The Fire Inspector requests that the Board delegate him the authority to review the display applications to ensure all federal, state and local requirements are met and . The list submitted this year contains the name of one company, Shot in the Dark Pyrotechnics. All other pyrotechnic companies will be required to submit approval requests to the Board of Commissioners in a timely manner prior to their scheduled event.

Commissioner Taylor moved to approve the request as presented. Chair Kirby asked for all in favor, the motion passed unanimously (6-0).

Shepard Pruden Memorial Library Items

Bylaw Amendment

Ms. Stallings noted that the Library Board of Trustees recommends the following amendments to the bylaws:

- Addition of Order of Business for Board of Trustee Meetings
- Clarification for the appointment process of Library Trustees to the Regional Library Board

She noted a copy of the amended bylaws in the meeting file/packet labeled July 14, 2025.

Commissioner McLaughlin moved to approve the bylaws as amended. Chair Kirby asked for all in favor, the motion passed unanimously (6-0).

Appointments to Regional Library Board

Ms. Stallings noted that the Board of Trustees recommends that Betty Tynch be appointed to the regional Board to serve with Marie Perry and Jenny Wells.

Commissioner McLaughlin moved to approve the appointments as presented. Chair Kirby asked for all in favor, the motion passed unanimously (6-0).

NCACC Annual Conference and Voting Delegate

Ms. Stallings noted that Chair Kirby has asked for the Board consent to attend the 2025 NCACC Annual Conference in August. The conference will be held in Pitt County. She stated that only registration would need to be covered, that Chair Kirby has indicated he plans to commute. She added that no other Commissioners are planning to attend the conference, and it would be in order to assign Chair Kirby as Chowan County's voting delegate for the conference.

Commissioner Taylor moved to approve the trave request for Chair Kirby and to appoint him as Chowan County's voting delegate. Chair Kirby asked for all in favor, the motion passed unanimously (6-0).

Chair Kirby noted that Wallace Nelson is anticipated to be appointed President of the NCACC.

Commissioner Lawrence asked if possible, Chair Kirby share the minutes from the session.

Financial Items

Finance Officer Cathy Smith presented the following:

FY 24-25 Budget Clean Up Amendments

2025-077

Account Number	Account Description	Revenue (Inc+/Dec-)	Expense (Inc+/Dec-)
After School			
11-6131-126-00	Salaries - PT		800.00
11-6131-181-00	Fica Expense		61.00
11-6131-221-00	Food & Provisions		(61.00)
11-6131-261-00	Office Supplies		320.00
11-6131-291-00	Program Support		(800.00)
11-6131-311-00	Travel		(365.00)
11-6131-390-00	Restitution & Other Serv		365.00
11-6131-510-00	C/O - Equipment		(320.00)
	Balanced	-	-
Justification:			
	To amend the 2025 budget for ASP to reflect final program revision. This is a transfer between line items and has been authorized by the JCPC program.		

2025-078

Account Number	Account Description	Revenue (Inc+/Dec-)	Expense (Inc+/Dec-)
Governing Body			
11-4110-121-00	Salaries - Regular		661.50
11-4110-181-00	Fica Expense		50.28
11-4110-311-00	Travel		(711.78)
Admin/Finance			
11-4120-121-00	Salaries - Regular		0.08
11-4120-182-00	Retirement		192.92
11-4120-183-00	Hospitalization		340.55
11-4120-192-00	Professional Services		(533.55)
Tax Admin			
11-4140-121-00	Salaries - Regular		2,494.14
11-4140-181-00	Fica Expense		1.20
11-4140-182-00	Retirement		450.06
11-4140-183-00	Hospitalization		336.10
11-4140-195-00	Prof Serv - DMV		(3,281.50)
Elections			
11-4170-181-00	Fica Expense		(92.07)
11-4170-182-00	Retirement		24.36
11-4170-183-00	Hospitalization		67.71
Register of Deeds			
11-4180-121-00	Salaries - Regular		0.32
11-4180-181-00	Fica Expense		(204.80)
11-4180-182-00	Retirement		64.84
11-4180-183-00	Hospitalization		204.13
11-4180-299-00	Dept Supplies		(64.49)
11-3418-416-00	Vital Records Fees	35.00	
11-4180-416-00	Vital Records Fees		35.00
Land Records			
11-4190-181-00	Fica Expense		(8.48)
11-4190-182-00	Retirement		21.68
11-4190-183-00	Hospitalization		67.71
11-4190-311-00	Travel		(80.91)
IT			
11-4210-182-00	Retirement		(169.21)
11-4210-183-00	Hospitalization		169.21
Maintenance			
11-4240-121-00	Salaries - Regular		(1,628.23)
11-4240-122-00	OT Salaries		1,628.23
Senior Center			
11-4268-126-00	PT Salaries		(174.01)
11-4268-182-00	Retirement		106.30
11-4268-183-00	Hospitalization		67.71
Central (911)			
11-4270-121-00	Salaries - Regular		(18,176.03)
11-4270-122-00	OT Salaries		2,931.95
11-4270-126-00	PT Salaries		15,244.08
Sheriff			
11-4310-121-00	Salaries - Regular		(51,756.19)
11-4310-122-00	OT Salaries		35,821.87
11-4310-123-00	Separation Pay		0.32
11-4310-126-00	PT Salaries		15,934.00
11-3431-891-00	Concealed Weapon Permit Fees	1,365.00	
11-4310-498-00	Concealed Weapon Permit Fees		1,365.00
SRO			
11-3431-224-00	SRO Program	14,741.40	
11-4312-122-00	OT Salaries		12,184.24
11-4312-181-00	Fica Expense		721.84
11-4312-182-00	Retirement		1,347.80
11-4312-184-00	Supplemental Retirement		487.52
Jail			
11-4320-121-00	Salaries - Regular		(27,184.06)
11-4320-122-00	OT Salaries		21,768.95
11-4320-126-00	PT Salaries		(25,196.25)
11-4320-181-00	Fica Expense		(2,732.84)
11-4320-182-00	Retirement		(483.14)
11-4320-183-00	Hospitalization		(9,035.54)
11-4320-696-00	Contract Services		42,862.88
Emergency Mgmt			
11-4330-121-00	Salaries - Regular		0.20
11-4330-181-00	Fica Expense		(426.24)
11-4330-182-00	Retirement		21.28
11-4330-183-00	Hospitalization		33.92
11-4330-510-00	Capital Outlay		370.84
Building Inspections			
11-4350-121-00	Salaries - Regular		(1,387.30)
11-4350-126-00	PT Salaries		920.00
11-4350-187-00	Bank Fees		467.30
11-3343-890-01	Misc Rev - Bank Fees	577.69	
11-4350-187-00	Bank Fees		577.69
Animal Shelter			
11-4381-183-00	Hospitalization		(199.04)
11-4381-186-00	Workers Comp		199.04
Street Signs			
11-4510-299-00	Dept Supplies		(400.00)
Septic Fees			
11-4710-499-00	Health Septic Fees		400.00
S&W			
11-4730-121-00	Salaries - Regular		0.12
11-4730-182-00	Retirement		38.56
11-4730-183-00	Hospitalization		136.42
11-4730-607-00	S&W Management		(175.10)
JCPC			
11-3523-003-00	Intensive Supervision Rev	1,912.00	
11-5230-442-00	Intensive Supervision Exp		1,912.00
Recreation			
11-6130-121-00	Salaries - Regular		(6,215.04)
11-6130-126-00	PT Salaries		6,215.04
Central Services			
11-8200-183-00	Hospitalization		10,353.61
11-8200-186-00	Workers Comp		(11,861.49)
11-8200-187-00	Bank Fees		2,516.69
11-8200-451-00	P&L Insurance		(1,008.81)
DSS			
12-5310-121-00	Salaries - Regular		(322.50)
12-5310-126-00	PT Salaries		322.50
Fire			
23-4340-126-00	PT Salaries		(41,605.00)
23-4340-442-00	Contract Services		41,605.00
TDA			
51-8150-126-00	PT Salaries		(28.86)
51-8150-182-00	Retirement		28.86
EMS			
60-4370-121-00	Salaries - Regular		(38,033.94)
60-4370-126-00	PT Salaries		30,666.00
60-4370-184-00	EMS Pension		7,367.94
Water			
61-3839-890-00	Misc Rev - Bank Fees	1,545.00	
61-7120-187-00	Bank Fees		1,545.00
	Balanced	20,176.09	20,176.09

Justification:

Budget Clean-up Fiscal Year-End 06/30/25

2025-079

Account Number	Account Description	Revenue (Inc+/Dec-)	Expense (Inc+/Dec-)		
Maint					
11-4240-121-00	Salaries - Regular		(29,810.18)	**Transfer to NCCC a**	
11-4240-183-00	Hospitalization		(7,382.50)	**Transfer to Swain S**	
NCCC					
11-4247-331-00	Utilities		14,637.03		
11-4247-351-00	Maint & Repairs - Bldg		2,249.93		
11-4247-352-00	Maint & Repairs - Equip		2,004.74		
Jail Bldg					
11-4265-331-00	Utilities		10,918.48		
Swain School					
11-4266-331-00	Utilities		7,382.50		
Sheriff					
11-4310-183-00	Hospitalization		(18,556.43)		
Jail					
11-4320-299-00	Dept Supplies		426.62		
11-4320-321-00	Telephone		143.92		
11-4320-352-00	Maint & Repairs - Equip		197.50		
11-4320-695-00	Contract Services - Central Prison		2,480.00		
11-4320-696-00	Contract Services - Regional		15,308.39		
Fire Fund					
23-4340-126-00	PT Salaries		(21,168.00)		
23-4340-442-00	Contract Serv - Fire		21,168.00		
TDA					
51-8150-126-00	PT Salaries		(1,888.26)		
51-8150-183-00	Hospitalization		1,001.28		
51-8150-183-01	Retiree Hospitalization		886.98		
	Balanced	-	29,810.18		
Justification:					
	Budget Clean-up Fiscal Year-End 06/30/25				

2025-080

Account Number	Account Description	Revenue (Inc+/Dec-)	Expense (Inc+/Dec-)
Register of Deeds			
11-3418-415-00	*Preservation/Automation	794.70	
11-4180-298-00	*Dept Supplies - Auto/Pres		264.90
11-4180-440-00	*Contr Svcs - Automation/Pres		264.90
11-4180-511-00	*C/O - Auto / Pres		264.90
Sheriff's Office			
11-3431-232-00	*Sheriff Donations	100.00	
11-4317-440-00	*Donation - Expense		100.00
Animal Shelter			
11-3438-894-00	*Donations - Chowan	426.00	
11-3438-894-01	*Donations - Gates	152.65	
11-3438-894-02	*Donations - Perquimans	394.70	
11-3438-894-03	*Donations - Other	125.00	
11-4381-600-00	*Donation - Expense		1,098.35
11-3438-895-00	*Adoption - Chowan	845.00	
11-3438-895-01	*Adoption - Gates	550.00	
11-3438-895-02	*Adoption - Perquimans	917.00	
11-3438-895-03	*Adoption - Other	1,050.00	
11-4381-441-00	*Contr Svcs - Spay/Neuter		3,362.00
Cooperative Ext:			
11-3495-370-00	*AG Program Fees Discretionary	80.00	
11-4953-440-00	*Ag Program Fees Discretionary		80.00
11-3495-378-00	*4-H Fees Discretionary	2,955.00	
11-4953-448-00	*4-H Fees Discretionary		2,955.00
11-3495-379-00	*Livestock Program	33,725.00	
11-4953-449-00	*Livestock Program		33,725.00
Recreation			
11-3612-487-00	*Recreation Donations	3,130.00	
11-6130-299-01	*Donations - Dept Supplies		3,130.00
Senior Center			
11-3616-533-00	*Reg Fees - Trips	8,553.00	
11-4268-312-00	*TRIPS - Senior Citizens		8,553.00
11-3616-535-05	*Silver & Fit	927.00	
11-4268-352-02	*Healthways		927.00
11-3616-535-01	*Donations - Fitness	245.00	
11-4268-352-01	*Donations - Fitness		245.00
11-3616-537-00	*Albemarle Comm - Health Promotion	630.00	
11-4268-601-00	*Albemarle Comm - Health Promotion		630.00
	Balanced	55,600.05	55,600.05
	Total Discretionary Income Received FYE 2025	**405,470.15**	
Justification:			
	To amend the 2025 budget to include Discretionary income for June 2025.		

2025-081

Account Number	Account Description	Revenue (Inc+/Dec-)	Expense (Inc+/Dec-)
Admin/Finance			
11-4120-126-00	Salaries - Regular		(10,000.00)
Tax Admin			
11-4140-191-00	Prof Serv - Tax Audit		(3,000.00)
11-4140-299-00	Departmental Supplies		(5,000.00)
Legal			
11-4150-192-00	Prof Serv - Legal Fees		50,000.00
Elections			
11-4170-122-00	PT Salaries		(5,000.00)
11-4170-380-00	IT Support		(2,000.00)
Land Records			
11-4190-311-00	Travel		(1,300.00)
Info Technology			
11-4210-121-00	Salaries - Regular		(2,500.00)
11-4210-191-00	Prof Serv - Relicensing		(12,000.00)
Maintenance			
11-4240-126-00	PT Salaries		(8,000.00)
11-4240-181-00	Fica		(1,200.00)
11-4240-351-01	Maint & Repairs - Red Banks		(8,000.00)
AG Building			
11-4245-351-00	Maint & Repairs - Buildings		(10,000.00)
Sheriff			
11-4310-299-00	Departmental Supplies		(500.00)
Jail			
11-4320-299-00	Departmental Supplies		500.00
Library			
11-6110-351-00	Maint & Repairs - Buildings		(419.00)
Central Services			
11-8200-183-00	Hospitalization - Retiree		13,000.00
11-8200-183-01	Commission - Insurance		50.00
11-8200-187-00	Bank Fees		205.00
11-8200-331-00	Utilities		2,500.00
11-8200-550-00	C/O - Vehicles		2,664.00
Reval Fund			
25-3990-990-00	Fund Balance	21,369.50	
25-4140-696-00	Contract Services - Vincent		21,369.50
Disaster Recovery			
41-3990-990-00	Fund Balance	264.33	
41-4938-251-00	Hurricane Helene - Supp		100.16
41-4938-311-00	Hurricane Helene - Travel		164.17
Water Fund			
61-3839-890-00	Misc Revenue	2,600.00	
61-7120-187-00	Bank Fees		2,600.00
	Balanced	24,233.83	24,233.83
Justification:			
	Budget Clean-up Fiscal Year-End 06/30/25		

Commissioner Lawrence moved to approve the budget amendments as presented. Chair Kirby asked for all in favor, the motion passed unanimously (6-0).

Current Fiscal Year Budget Amendments
2026-001

Account Number	Account Description	Revenue (Inc+/Dec-)	Expense (Inc+/Dec-)
EMS			
60-4370-121-00	Salaries - Regular		(22,000.00)
60-4370-352-00	Maint & Repairs - Equipment		22,000.00
	Balanced	-	-
Justification:			
	To amend the 2026 budget for EMS to include increased cost for maintenance contract with Stryker. This is a transfer between line items and no additional funding is being requested.		

2026-002

Account Number	Account Description	Revenue (Inc+/Dec-)	Expense (Inc+/Dec-)
Sheriff's Office			
11-4310-121-00	Salaries - Regular		(20,500.00)
11-4310-181-00	Fica Expense		(1,568.25)
11-4310-182-00	Retirement Expense		(3,267.70)
11-4310-183-00	Hospitalization		(5,991.65)
Jail			
11-4320-121-00	Salaries - Regular		20,500.00
11-4320-181-00	Fica Expense		1,568.25
11-4320-182-00	Retirement Expense		3,267.70
11-4320-183-00	Hospitalization		5,991.65
	Balanced	-	-
Justification:			
	To amend the 2026 budget by moving one deputy's salary and benefits for six months from the Sheriff's Office to the Jail. This is a transfer between departments and no additional funding is being requested.		

2026-003

Account Number	Account Description	Revenue (Inc+/Dec-)	Expense (Inc+/Dec-)
Elections			
11-4170-121-00	Salaries - Regular		(13,390.00)
11-4170-122-00	Salaries - PT		13,390.00
	Balanced	-	-
Justification:			
	To amend the 2026 budget for Elections to include PT salaries until new FT position is filled. This is a transfer between line items and no additional funding is being requested.		

Commissioner Cummings moved to approve the budget amendment as presented. Chair Kirby asked for all in favor, the motion passed unanimously (6-0).

Financial Report

Finance Officer Cathy Smith will provide the Board with financial reports for May 2025. A copy of the report is in the meeting file labeled July 14, 2025.

Update on JA Holmes Highschool Project Expenses

A copy of the report is in the meeting file labeled July 14, 2025.

Transfer of Fire Trucks to Centerhill Crossroads Fire Department

Ms. Smith noted that the County is transferring the equipment to Center Hill Volunteer Fire Department because the insurance company stated the trucks need to be carried on a policy owned by the fire department.

Description	Year	Make	Model/Type	VIN#
Engine 20	2003	Kenworth	Pumper	2NKMHD8X93M392016
Tanker 21	2007	Kenworth	Firetruck	2NKMHN8X38M223753
Engine 23	1990	Chevrolet	Firetruck	1GPB7HIJ6MJ105078
Truck 24	2023	Ford	F350	1FD8WFNOPED41820
Truck 25	2008	Kenworth	Encore Rescue	2NKHHN8X59M252951
Engine 26	2023	International	Pumper/Tanker	3HAEJTAR8RL028416

Commissioner Cummings moved to approve the transfer of the trucks to Center Hill Crossroads Volunteer Fire Department. Chair Kirby asked for all in favor, the motion passed unanimously (6-0).

External Board/Committee Report
Commissioner Taylor reported on the Opioid Settlement Funds Committee meeting.

Chair Kirby reported on the Albemarle Commission Board of Directors.

Timely and Important Matters

Public Comment
Commissioner Evans stated he wished to address the public comment he stated that Ms. Battle was not removed from the Library Board of Trustees. He noted she finished her term, there were others interested, and she was not reappointed.

Chair Kirby noted that all appointments have established terms.

Adjourn
Being no further business, Commissioner Cummings moved that the meeting be adjourned. Chair Kirby asked for all in favor, the motion passed unanimously (6-0).

_____ _____

Bob Kirby, Chairman Susanne Stallings, Clerk

AUTOMATIC AID AGREEMENT FOR FIRE PROTETION

North Carolina Chowan County

This agreement, made and entered into this 1st day of September, 2024 by the Center Hill Crossroads Volunteer Fire Department of Chowan County, North Carolina, and the Hobbsville Volunteer Fire Department Inc. of Gates County, North Carolina.

THAT, WHEREAS, the General Assembly of North Carolina did enact into law an act to authorize automatic aid assistance between fire departments whereby full authority may be exercised by fire departments to send firemen and apparatus beyond the territorial limits which they normally serve, said act having been codified as Chapter 58, Section 83-1, of the General Statutes of North Carolina;

WHEREAS, the county has written automatic aid protocols which is maintained and utilized by the Chowan County Communications Center and is utilized on all structure fires whereby they simultaneously dispatch the automatic aid departments;

WHEREAS, the purpose of this agreement is to provide each of the parties hereto, through their mutual cooperation, a pre-determined plan; as agreed upon in dispatch protocol, by which each of them renders aid to the other in case of any incident;

WHEREAS, it is deemed to be in the public interest for the parties hereto to enter into an Agreement for automatic aid assistance, and in order to increase fire defenses and to assure proper fire control, as well as providing reserves needed to assure the community of adequate protection;

WHEREAS, by action of the undersigned officials, this agreement for reciprocal automatic aid assistance was duly authorized;

NOW, THEREFORE, in consideration of the mutual covenants contained herein by and between the parties hereto, it is hereby agreed as follows:

1. To activate the terms of this agreement as herein set forth, due to conflagration, holocaust, civil disorder or natural disaster, upon notification that an emergency does, in fact, exist and that aid is needed. The County will dispatch available apparatus equipment and manpower into action to assist the needed party.

2. It shall be the responsibility of the officer of the fire department of the responding party that all personnel responding to the assistance are responsible persons and that the conduct and actions of said personnel shall be the responsibility of the party sending assistance.

3. The party responding to the automatic aid under the terms of this agreement shall assume all liability and responsibility for damage to its own apparatus and/or equipment. The party responding shall also assume all liability and responsibility for any damage caused by its own apparatus while responding to or returning from a specific location.

4. Each party to this agreement shall assume all costs of salaries, wages, bonuses or other compensation for its own personnel that responds for duty under the terms of this agreement and shall also assume all cost involving the use of apparatus, equipment, tools used specifically in response to the request for aid and shall make no charge for such use to the party requesting assistance.

5. Either party may, at any time, terminate this agreement, through its Board of Directors, and upon the serving of a thirty-day written notice to The Chowan and Perquimans County Emergency Management Coordinators.

6. When fire department personnel respond pursuant to the agreement, the jurisdiction, authority, rights, privileges, and immunities including coverage under workers compensation laws shall be extended to department personnel during the entire incident until completion.

7. When any party contained in this agreement is providing automatic aid to another party, it is agreed to respond with a minimum of one piece of fire apparatus capable of carrying a minimum of 1,000 gallons of water.

8. The area covered by this agreement is from the intersection of Cannons Ferry Road (SR- 1231-1232) and Virginia Rd (NC-32) north and west to the Gates and Chowan County line.

CHOWAN COUNTY FIRE DEPARTMENT

Center Hill-Crossroads Fire Department

_____ Date: _____
President, Board of Directors

_____ Date: _____
Fire Chief

_____ Date: _____
Secretary, Board of Director

GATES COUNTY FIRE DEPARTMENT

Hobbsville Fire Department

_____ Date: _____
President, Board of Directors

_____ Date: _____
Fire Chief

_____ Date: _____
Secretary, Board of Director

UNITED STATES DEPARTMENT OF AGRICULTURE LEASE AMENDMENT	LEASE AMENDMENT No. 5 TO LEASE NO. 57-4532-3-007
ADDRESS OF PREMISES 730 N Granville Street Edenton, NC 27932	GREX DELEGATION NO.: DNC04119003

THIS AMENDMENT is made and entered into between **County of Chowan**

whose address is: **PO Box 1030, Edenton, NC 27932**

hereinafter called the Lessor, and the **UNITED STATES OF AMERICA**, hereinafter called the Government:

WHEREAS, the parties hereto desire to amend the above Lease to extend the term of the Lease.

NOW THEREFORE, these parties for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, covenant and agree that the said Lease is amended, effective August 1, 2025, as follows:

A. Paragraph B, "Term" of the Lease is hereby deleted in its entirety and the following is inserted in lieu thereof:

"To Have and To Hold the said Premises with its appurtenances for the term beginning upon January 1, 2003 through July 31, 2030, subject to termination and renewal rights as may be hereinafter set forth."

B. Rentable Square Footage (RSF) remains 2,120 and ANSI/BOMA Square Footage (ABOA) remains 2,120.

C. Paragraph C, "Rental" is hereby deleted in its entirety and the following is inserted in lieu thereof:
"A. The Government shall pay the Lessor annual rent, payable in monthly installments in arrears, at the following rates:

This Lease Amendment contains 7 pages.

All other terms and conditions of the lease shall remain in force and effect.
IN WITNESS WHEREOF, the parties subscribed their names as of the below date.

FOR THE LESSOR:

Signature: _____

Name: _____

Title: _____

Entity: _____

Date: _____

FOR THE GOVERNMENT:

Signature: _____

Name: Sharon Sullins

Title: Lease Contracting Officer

United States Department of Agriculture, USDA

Date: _____

WITNESSED FOR THE LESSOR BY:

Signature: _____

Name: _____

Title: _____

Date: _____

	EFFECTIVE August 1, 2025
	ANNUAL RENT
SHELL RENT	$ 19,080.00
OPERATING COSTS*	$ 16,960.00
ANNUAL RENT	**$** 36,040.00

Annual Rental Rate (rounded) of $17.00 per RSF reflects rental rate breakdown as follows:
Shell Rent $9.00 per RSF (rounded)
Operating Costs $8.00 per RSF (rounded)

D. The clauses contained in the attachment "Additional FAR and GSAR Clauses for Lease Extensions and Renewals" are hereby attached to and incorporated into the Lease.

E. INTENTIONALLY DELETED

F. The Lessor must have an active/updated registration in the System for Award Management (SAM) System (https://www/sam.gov) upon receipt of this Lease Amendment. Registration needs to indicate Purpose as "All Awards" and NAICS Code of "531120". The Government will not process rent payments to Lessors without an active/updated SAM registration.

FAR AND GSAR CLAUSES FOR LEASE EXTENSIONS (MAY 2025)

The following clauses are hereby incorporated into the Lease and replace any prior versions of these clauses contained in the Lease or its attachments:

1) 52.204-25 Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment (Nov 2021)

This clause is incorporated by reference.

2) 52.204-27 Prohibition on a ByteDance Covered Application (Jun 2023)

This clause is incorporated by reference.

3) 52.204-30 Federal Acquisition Supply Chain Security Act Orders - Prohibition (Dec 2023)

(a) *Definitions.* As used in this clause—

Covered article, as defined in 41 U.S.C. 4713(k), means—

(1) Information technology, as defined in 40 U.S.C. 11101, including cloud computing services of all types;

(2) Telecommunications equipment or telecommunications service, as those terms are defined in section 3 of the Communications Act of 1934 (47 U.S.C. 153);

(3) The processing of information on a Federal or non-Federal information system, subject to the requirements of the Controlled Unclassified Information program (see 32 CFR part 2002); or

(4) Hardware, systems, devices, software, or services that include embedded or incidental information technology.

FASCSA order means any of the following orders issued under the Federal Acquisition Supply Chain Security Act (FASCSA) requiring the removal of covered articles from executive agency information systems or the exclusion of one or more named sources or named covered articles from executive agency procurement actions, as described in 41 CFR 201–1.303(d) and (e):

(1) The Secretary of Homeland Security may issue FASCSA orders applicable to civilian agencies, to the extent not covered by paragraph (2) or (3) of this definition. This type of FASCSA order may be referred to as a Department of Homeland Security (DHS) FASCSA order.

(2) The Secretary of Defense may issue FASCSA orders applicable to the Department of Defense (DoD) and national security systems other than sensitive compartmented information systems. This type of FASCSA order may be referred to as a DoD FASCSA order.

(3) The Director of National Intelligence (DNI) may issue FASCSA orders applicable to the intelligence community and sensitive compartmented information systems, to the extent not covered by paragraph (2) of this definition. This type of FASCSA order may be referred to as a DNI FASCSA order.

Intelligence community, as defined by 50 U.S.C. 3003(4), means the following—

(1) The Office of the Director of National Intelligence;

(2) The Central Intelligence Agency;

(3) The National Security Agency;

(4) The Defense Intelligence Agency;

(5) The National Geospatial-Intelligence Agency;

(6) The National Reconnaissance Office;

(7) Other offices within the Department of Defense for the collection of specialized national intelligence through reconnaissance programs;

(8) The intelligence elements of the Army, the Navy, the Air Force, the Marine Corps, the Coast Guard, the Federal Bureau of Investigation, the Drug Enforcement Administration, and the Department of Energy;

(9) The Bureau of Intelligence and Research of the Department of State;

(10) The Office of Intelligence and Analysis of the Department of the Treasury;

(11) The Office of Intelligence and Analysis of the Department of Homeland Security; or

(12) Such other elements of any department or agency as may be designated by the President, or designated jointly by the Director of National Intelligence and the head of the department or agency concerned, as an element of the intelligence community.

National security system, as defined in 44 U.S.C. 3552, means any information system (including any telecommunications system) used or operated by an agency or by a contractor of an agency, or other organization on behalf of an agency—

(1) The function, operation, or use of which involves intelligence activities; involves cryptologic activities related to national security; involves command and control of military forces; involves equipment that is an integral part of a weapon or weapons system; or is critical to the direct fulfillment of military or intelligence missions, but does not include a system that is to be used for routine administrative and business applications (including payroll, finance, logistics, and personnel management applications); or

(2) Is protected at all times by procedures established for information that have been specifically authorized under criteria established by an Executive order or an Act of Congress to be kept classified in the interest of national defense or foreign policy.

Reasonable inquiry means an inquiry designed to uncover any information in the entity's possession about the identity of any covered articles, or any products or services produced or provided by a source. This applies when the covered article or the source is subject to an applicable FASCSA order. A reasonable inquiry excludes the need to include an internal or third-party audit.

Sensitive compartmented information means classified information concerning or derived from intelligence sources, methods, or analytical processes, which is required to be handled within formal access control systems established by the Director of National Intelligence.

Sensitive compartmented information system means a national security system authorized to process or store sensitive compartmented information.

Source means a non-Federal supplier, or potential supplier, of products or services, at any tier.

(b) *Prohibition.*

(1) Unless an applicable waiver has been issued by the issuing official, Contractors shall not provide or use as part of the performance of the contract any covered article, or any products or services produced or provided by a source, if the covered article or the source is prohibited by an applicable FASCSA orders as follows:

(i) For solicitations and contracts awarded by a Department of Defense contracting office, DoD FASCSA orders apply.

(ii) For all other solicitations and contracts DHS FASCSA orders apply.

(2) The Contractor shall search for the phrase "FASCSA order" in the System for Award Management (SAM) at *https://www.sam.gov* to locate applicable FASCSA orders identified in paragraph (b)(1).

(3) The Government may identify in the solicitation additional FASCSA orders that are not in SAM, which are effective and apply to the solicitation and resultant contract.

(4) A FASCSA order issued after the date of solicitation applies to this contract only if added by an amendment to the solicitation or modification to the contract (see FAR 4.2304(c)). However, see paragraph (c) of this clause.

(5)

(i) If the contractor wishes to ask for a waiver of the requirements of a new FASCSA order being applied through modification, then the Contractor shall disclose the following:

(A) Name of the product or service provided to the Government;

(B) Name of the covered article or source subject to a FASCSA order;

(C) If applicable, name of the vendor, including the Commercial and Government Entity code and unique entity identifier (if known), that supplied or supplies the covered article or the product or service to the Offeror;

(D) Brand;

(E) Model number (original equipment manufacturer number, manufacturer part number, or wholesaler number);

(F) Item description;

(G) Reason why the applicable covered article or the product or service is being provided or used;

(ii) *Executive agency review of disclosures.* The contracting officer will review disclosures provided in paragraph (b)(5)(i) to determine if any waiver is warranted. A contracting officer may choose not to pursue a waiver for covered articles or sources otherwise covered by a FASCSA order and to instead pursue other appropriate action.

(c) *Notice and reporting requirement.*

(1) During contract performance, the Contractor shall review *SAM.gov* at least once every three months, or as advised by the Contracting Officer, to check for covered articles subject to FASCSA order(s), or for products or services produced by a source subject to FASCSA order(s) not currently identified under paragraph (b) of this clause.

(2) If the Contractor identifies a new FASCSA order(s) that could impact their supply chain, then the Contractor shall conduct a reasonable inquiry to identify whether a covered article or product or service produced or provided by a source subject to the FASCSA order(s) was provided to the Government or used during contract performance.

(3)

(i) The Contractor shall submit a report to the contracting office as identified in paragraph (c)(3)(ii) of this clause, if the Contractor identifies, including through any notification by a subcontractor at any tier, that a covered article or product or service produced or provided by a source was provided to the Government or used during contract performance and is subject to a FASCSA order(s) identified in paragraph (b) of this clause, or a new FASCSA order identified in paragraph (c)(2) of this clause. For indefinite delivery contracts, the Contractor shall report to both the contracting office for the indefinite delivery contract and the contracting office for any affected order.

(ii) If a report is required to be submitted to a contracting office under (c)(3)(i) of this clause, the Contractor shall submit the report as follows:

(A) If a Department of Defense contracting office, the Contractor shall report to the website at *https://dibnet.dod.mil*.

(B) For all other contracting offices, the Contractor shall report to the Contracting Officer.

(4) The Contractor shall report the following information for each covered article or each product or service produced or provided by a source, where the covered article or source is subject to a FASCSA order, pursuant to paragraph (c)(3)(i) of this clause:

(i) Within 3 business days from the date of such identification or notification:

(A) Contract number;

(B) Order number(s), if applicable;

(C) Name of the product or service provided to the Government or used during performance of the contract;

(D) Name of the covered article or source subject to a FASCSA order;

(E) If applicable, name of the vendor, including the Commercial and Government Entity code and unique entity identifier (if known), that supplied the covered article or the product or service to the Contractor;

(F) Brand;

(G) Model number (original equipment manufacturer number, manufacturer part number, or wholesaler number);

(H) Item description; and

(I) Any readily available information about mitigation actions undertaken or recommended.

(ii) Within 10 business days of submitting the information in paragraph (c)(4)(i) of this clause:

(A) Any further available information about mitigation actions undertaken or recommended.

(B) In addition, the Contractor shall describe the efforts it undertook to prevent submission or use of the covered article or the product or service produced or provided by a source subject to an applicable FASCSA order, and any additional efforts that will be incorporated to prevent future submission or use of the covered article or the product or service produced or provided by a source that is subject to an applicable FASCSA order.

(d) *Removal*. For Federal Supply Schedules, Governmentwide acquisition contracts, multi-agency contracts or any other procurement instrument intended for use by multiple agencies, upon notification from the Contracting Officer, during the performance of the contract, the Contractor shall promptly make any necessary changes or modifications to remove any product or service produced or provided by a source that is subject to an applicable FASCSA order.

(e) *Subcontracts*.

(1) The Contractor shall insert the substance of this clause, including this paragraph (e) and excluding paragraph (c)(1) of this clause, in all subcontracts and other contractual instruments, including subcontracts for the acquisition of commercial products and commercial services.

(2) The Government may identify in the solicitation additional FASCSA orders that are not in SAM, which are effective and apply to the contract and any subcontracts and other contractual instruments under the contract. The Contractor or higher-tier subcontractor shall notify their subcontractors, and suppliers under other contractual instruments, that the FASCSA orders in the solicitation that are not in SAM apply to the contract and all subcontracts.

Chowan County

MANAGEMENT BUDGET AMENDMENT

To: FYI - Board of Commissioners **MBA #: 2026-005**

From: Cathy Smith, *Finance Officer*

Date: August 14, 2025

RE: Carry-Forward Balances 2025 - Discretionary Accounts

Please authorize the finance officer to amend the 2026 budget as follows:

Account Number	Account Description	Revenue (Inc+/Dec-)	Expense (Inc+/Dec-)
Carry-Forward Balances - Discretionary			
Register of Deeds			
11-4180-298-00	*Dept Supplies - Auto Pres		19,152.66
11-4180-440-00	*Cont Serv - Automation/Pres		11,767.48
11-4180-511-00	*C/O - Auto/Pres		7,830.79
11-3990-990-01	FB Appropriation - ROD	38,750.93	
Senior Center			
11-4268-299-01	*Activities - Dept Supplies		7,988.30
11-4268-299-02	*Donations		966.93
11-4268-312-00	*Trips - SR. Citizens		46,012.54
11-4268-352-01	*Donations - Fitness		6,789.10
11-4268-352-02	*Healthways		69,806.15
11-4268-605-00	*Healthy Aging NC Grant		2,561.80
11-4268-904-01	*Donations - Home Del Meal		14,652.78
11-3990-990-02	FB Appropriation - Senior Center	148,777.60	
Sheriff			
11-4310-601-00	*NCDPS Grant 2022		3,220.30
11-4310-696-01	*Body Worn Camera Grant 2021		2,781.59
11-4310-696-03	*ARHS Comm Linkage Grant		7,520.00
11-4316-440-00	*Sheriff Executions		12,009.52
11-4317-298-00	*Project Lifesaver		1,689.76
11-4317-440-00	*Donation - Expenses		12,312.25
11-4317-441-00	*State Special Expenses		8,320.64
11-4317-442-00	*Federal Special Funds		(221.65)
11-4317-443-00	*Kids & Cops		2,864.62
11-4317-444-00	*Diving - Expenses		142.96
11-4317-445-00	*Safe Kids Program		5,132.33
11-3990-990-03	FB Appropriation - Sheriff	55,772.32	
Soil & Water			

Account Number	Account Description	Revenue (Inc+/Dec-)	Expense (Inc+/Dec-)
11-4730-608-00	Stream Debris Removal Grant		15,768.00
11-4730-611-00	*ARCD Grant 2024		9,413.75
11-4730-691-00	*Aquatic Weed Erad-Resid		602.44
11-4730-692-00	*Vol Agricultural Distr		428.00
11-3990-990-05	FB Appropriation - S&W	26,212.19	
Agriculture Extension			
11-4950-600-00	*SHIIP Grant		3,057.05
11-4950-600-01	*SHIIP MIPPA Grant		309.00
11-4952-600-00	*Hospital Foundation Grant		2,030.99
11-4953-440-00	*AG Program Expenses / Discretionary		1,888.04
11-4953-441-00	*4-H Council Program Expenses		215.00
11-4953-445-00	*4-H United Way		3,929.25
11-4953-448-00	*4-H Fees / Discretionary		47,653.10
11-4953-449-00	*Livestock Show & Sale		95,757.29
11-4953-450-00	*ECA Discretionary		3,953.15
11-4953-451-00	*Comm Ben/Health Grant		(404.36)
11-4953-452-00	*Grow to Eat Grant		266.69
11-4953-454-00	*Vidant Master Food Grant		482.68
11-4953-455-00	*Eagles Club Donations		2,991.22
11-4953-456-00	*Apex Grant - Story Walk		5,000.00
11-4953-602-00	*Shred-A-Thon Grant		5,600.00
11-3990-990-06	FB Appropriation - Coop	172,729.10	
Recreation			
11-6130-299-01	*Donations - Departmental Supplies		10,108.35
11-6132-441-01	*PARTF Grant - Bennett's Millpond		164,189.00
11-6132-453-00	*Recreation Special Events		14,522.12
11-6132-460-00	*NCCF Grant - Laughton Endownment		19,697.77
11-6132-620-05	*NCAS Grant - Earnhardt		248.45
11-3990-990-08	FB Appropriation - Recreation	208,765.69	
Animal Shelter			
11-4381-600-00	*Donations Expense		31,097.06
11-3990-990-11	FB Appropriation - Animal Shelter	31,097.06	
Animal Control			
11-4380-601-00	*Donations - Animal Control		598.13
11-4380-691-00	Maddies Fund Grant		500.00
11-3990-990-13	FB Appropriation - Animal Control	1,098.13	
DSS			
12-5310-450-00	*DSS Special Events		822.44
12-3990-990-01	FB Appropriation - DSS	822.44	
EMS			
60-4370-499-00	*Donations - Rescue Squad		40.83
60-3990-990-01	FB Appropriation - Rescue Squad	40.83	

Account Number	Account Description	Revenue (Inc+/Dec-)	Expense (Inc+/Dec-)
	Balanced	684,066.29	684,066.29

Justification:

To amend the 2026 budget to include carry-forward Discretionary balances from 2025.

Approval Date: _____

Bd. Clerk's Init: _____

Initials: _____

Batch #: _____

Date: _____

Chowan County

MANAGEMENT BUDGET AMENDMENT

To: FYI -Board of County Commissioners **MBA #: 2026-006**

From: Cathy Smith, *Finance Officer*

Date: August 14, 2025

RE: Carry-forward Balances 2025 - Capital Projects

Please authorize the finance officer to amend the 2026 budget as follows:

Account Number	Account Description	Revenue (Inc+/Dec-)	Expense (Inc+/Dec-)
Carry-Forward Balances - Capital Projects			
Capital Projects			
32-8100-455-00	DSS-Roof/HVAC Repairs		29,549.27
32-8100-457-00	Courthouse - Renovations		63,718.93
32-8100-585-00	Hotel Hinton Improvement		114,257.00
32-8100-601-00	Jail Improvements		6,250.00
32-8100-606-00	Library Repairs		30,135.89
32-8100-607-00	AG Building Bridge Repairs		180,391.05
32-8100-608-00	911 Server Room HVAC		33,732.50
32-8100-609-00	PSC - Chiller		50,000.00
32-3810-033-00	Contribution from Capital Reserve	508,034.64	
Capital Resereve			
33-9800-980-32	Transfer to Capital Projects		508,034.64
33-3990-990-00	Fund Balance Appropriated	508,034.64	
	Balanced	1,016,069.28	1,016,069.28

Justification:

To amend the 2026 budget to include carry-forward balances for capital projects not completed in 2025.

Approval Date: _____

Bd. Clerk's Init: _____

Initials: _____

Batch #: _____

Date: _____

Chowan County

MANAGEMENT BUDGET AMENDMENT

To: FYI - Board of County Commissioners **MBA #: 2026-007**

From: Cathy Smith, *Finance Officer*

Date: August 14, 2025

RE: Carry-Forward Balances 2025 - JAHHS Replacement Project

Please authorize the finance officer to amend the 2026 budget for **JAHHS Replacement Project** as follows:

Account Number	Account Description	Revenue (Inc+/Dec-)	Expense (Inc+/Dec-)
Carry-Forward Balances - JAHHS			
JAHHS Replacement Project Fund			
45-3811-365-00	NBPSCF Grant	5,655,282.18	
45-3990-990-00	Fund Balance Appropriated	34,394,641.02	
45-5913-191-00	Architect - Basic Services		230,000.00
45-5913-191-01	Architect - Additional Services		10,412.50
45-5913-191-02	Architect - Reimbursed Services		267.35
45-5913-192-02	Inspections		128,901.35
45-5913-194-01	Permanent Loan Closing Costs		50,000.00
45-5913-199-00	Legal Services		10,667.00
45-5913-370-00	Advertising		4,629.25
45-5913-441-00	Construction Costs		32,481,729.79
45-5913-510-00	Equipment FF&E		2,404,425.31
45-5913-720-00	Construction Loan Interest		1,239,954.19
45-5913-998-00	Other - Misc		23,735.08
45-5913-999-00	Contingency		3,465,201.38
	Balanced	40,049,923.20	40,049,923.20

Justification:

To amend the budget for JAHHS Replacement Project to carry forward project balances at 06/30/25.

Approval Date: _____

Bd. Clerk's Init: _____

Initials: _____

Batch #: _____

Date: _____

Chowan County

MANAGEMENT BUDGET AMENDMENT

To: FYI - Board of Commissioners **MBA #: 2026-008**

From: Cathy Smith, *Finance Officer*

Date: August 14, 2025

RE: Carry-Forward Balances 2025 - COA Capital Outlay

Please authorize the finance officer to amend the 2026 budget as follows:

Account Number	Account Description	Revenue (Inc+/Dec-)	Expense (Inc+/Dec-)
Carry-Forward Balances - COA Capital Outlay			
COA			
11-5923-635-00	COA Capital Outlay - Reserve		253,336.02
11-3990-990-10	FB Appropriation - COA	253,336.02	
	Balanced	253,336.02	253,336.02

Justification:

To amend the 2026 budget to include carry-forward balance for COA Capital Outlay from 2025.

Approval Date: _____

Bd. Clerk's Init: _____

Initials: _____

Batch #: _____

Date: _____

County of Chowan Internal Control Policy: Coronavirus State and Local Fiscal Recovery Funds ("ARP/CSLFRF Award")

Definitions

- **Management** refers to employees who have direct responsibility for the day-to-day operations of the entity, including the implementation of internal controls. For the purposes of this policy, "management" includes: **County Manager's Office; Finance Office.**
- **Oversight Body**, as referenced in the Government Accountability Office's Standards for Internal Control in the Federal Government, refers to an appointed body designated to perform oversight at the direction of the governing board. The oversight body of a local government is, by default, the governing board (Board of County Commissioners).

Policy Overview and Purpose

Internal control is a process effected by an entity's oversight body, management, and other personnel that provides reasonable assurance that the objectives of an entity will be achieved. This policy outlines the internal control process established by the **County of Chowan** to provide reasonable assurances that the unit will expend ARP/CSLFRF award funds in compliance with governing laws and regulations. This document is adopted in accordance with the following directive from U.S. Treasury's Compliance and Reporting Guidance: "Per 2 CFR Part 200.303, your organization must develop and implement effective internal controls to ensure that funding decisions under the ARP/CSLFRF award constitute eligible uses of funds, and document determinations."[2]

Internal Control Framework:

The **County of Chowan's** internal controls are modeled after the internal control framework set forth in the Government Accountability Office's Standards for Internal Control in the Federal Government (the "Green Book"). As described in the Green Book, Management is responsible for establishing and maintaining the internal control system in compliance with the duties outlined in this policy. The Oversight Body's primary role is to ensure management performs its internal control responsibilities. However, every employee bears some responsibility for the internal control process.

The Green Book Recognizes Five Components of Internal Control: Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring

The **County of Chowan** understands that each component must be present and functioning for the internal control process to operate at the optimal level. The responsibilities tied to each of the components are discussed below.

1. Control Environment

The control environment is the foundation for all other components of internal control, providing discipline and structure. Management values integrity, ethics, and competence in all operations, including the administration of federal awards. Management communicates and reinforces its expectations throughout the organization. Examples of management's commitment to internal controls over expenditures of ARP/CSLFRF funds include, but are not limited to, the following:

- Management demonstrates a commitment to integrity and ethical values through its leadership, communications, personnel practices, and daily actions.
- Management conducts ongoing risk assessments to identify internal control weaknesses that may negatively impact the proper administration of the ARP/CSLFRF award.
- Management is committed to educating itself and staff on the compliance requirements tied to the administration of the ARP/CSLFRF award.
- Management adopts policies necessary to ensure compliance with the Uniform Guidance and the ARP/CSLFRF award terms and conditions.

2. Risk Assessment

Management is committed to identifying and managing the risks that may arise during the administration of the ARP/CSLFRF award. The risk assessment component of internal control involves management evaluating the risks the entity faces that could negatively impact its ability to achieve its objectives. These objectives include:

- **Operational Objectives:** All assets are appropriately safeguarded against risks of fraud, theft, loss, or abuse.
- **Reporting Objectives:** Finance systems and processes produce accurate and reliable financial reporting for federal award expenditures. The **County of Chowan's** Schedule of Expenditures of Federal Awards (SEFA) is complete and accurate.
- **Compliance Objectives:** Ensure ARP/CSLFRF awards funds are expended in compliance with the award terms and conditions, federal and state law, and U.S. Treasury guidance.

Risk Identification

Management shall identify risks that may impair the **County of Chowan's** ability to achieve its objectives. Management shall focus its risk assessment on areas of opportunity for employees to commit fraud. Specific areas and types of risk include:

- rapid growth in operations,
- changes in personnel,
- organizational restructuring, such as centralizing or decentralizing,
- new activities or service areas,
- new or revised information systems,
- new technologies in service delivery or information systems,
- changes in the operating or regulatory environment, and
- new or updated accounting and/or financial reporting practices.

Uniform Guidance Compliance & Risk Identification

There are specific risks that arise in the administration of a grant award. Management will identify areas of risk that may impair the **County of Chowan's** ability to comply with the ARP/CSLFRF award's terms and conditions and/or applicable state and federal law and regulations.

Specifically, the **County of Chowan** will evaluate risks of non-compliance in the following compliance areas:

- Eligibility,
- Allowable Costs/Cost Principles,
- Period of Performance,
- Financial Management,
- Property Management,
- Procurement,
- Subrecipient Monitoring, and
- Program Income.

Risk Analysis

Management shall determine the potential severity of liabilities associated with the risks identified by weighing the likelihood of occurrence against the degree of impact.

Likelihood × Impact = **Risk Priority**

After rating each risk for likelihood & impact, multiply to identify which risks are highest priority to control for.

Risk Priority

Likelihood					
5	5	10	15	20	25
4	4	8	12	16	20
3	3	6	9	12	15
2	2	4	6	8	10
1	1	2	3	4	5
	1	2	3	4	5
	Impact				

Priority Rank Scale	
Low	1 to 4
Moderate	5 to 9
High	10 to 19
Very High	20+

Risk Response

Management shall review the results of the risk analysis and determine whether to implement control activities to mitigate risks. Management will respond to identified risks in one of three ways:

- accept the risk,
- reduce the risk by implementing control activities to help prevent or detect issues, or
- avoid the risk by not pursuing certain activities.

Management shall consider the relative cost of implementing controls versus the benefit(s) offered in deciding whether to mitigate risk(s) through the implementation of control activities. When possible, control activities will be implemented to mitigate risks that rate "High" or "Very High" on the Likelihood/Impact scale.

3. Control Activities

Control activities are the actions taken by management to respond to risks that may prevent the entity from achieving its objectives. The internal control activities are either preventative or detective. The **County of Chowan** uses a variety of control activities that support strong

internal controls, including, but not limited to the following:

- written policies and procedures,
- segregation of duties: separating authorization, custody, record-keeping, and reconciliation functions,
- authorizations to undertake projects/programs/expenditure,
- reconciliation of accounts and records,
- documentation and record-keeping,
- physical controls, including locks, physical barriers, and security systems to protect physical assets,
- IT controls, including passwords, access logs, and firewalls to protect sensitive data and restrict access to electronic data and files,
- staff training, or
- a combination of the above.

4. Information and Communication

The **County of Chowan** communicates accurate and quality information to internal staff and personnel and to external stakeholders and community members. Communication plays an integral role in the internal control system by helping to promote transparency regarding the use of public funds. Management shall be responsible for communicating internal control processes to those employees directly involved in finance and/or grant administration. Management will communicate its policies, procedures, and internal controls through various handbooks, programs, training, and electronic communication.

Information regarding pertinent policies, processes, and control activities will flow down, across, and up the organizational structure. Internal control deficiencies should be reported upstream, with serious matters reported immediately to top-level management and/or to the governing board. Employees are required to report any critical issues within the internal control system to management as soon as possible after the discovery.

To ensure transparency regarding the use of ARP/CSLFRF funds, the **County of Chowan** shall communicate quality information to community members and external stakeholders. The communication channels may include:

- Governing board members and management are willing to engage directly with community members and answer questions via email and/or provide updates during regularly scheduled meetings.

5. Monitoring

The **County of Chowan** shall conduct ongoing monitoring of the internal control system to identify its strengths and weaknesses. Internal and external audits will be conducted pursuant to federal and state law. These audit processes will test the effectiveness of internal controls over federal and state awards.

Internal Controls & Uniform Guidance Compliance

Financial Management, 2 CFR § 200.302

Overview:
Each unit must have a financial management system in place to satisfy the requirements set forth in 2 CFR 200.302. A unit may rely on existing accounting processes and procedures, provided such processes adequately track the obligations and expenditures of ARP/CSLFRF funds.

Objectives:
Ensure compliance with the following requirements set forth in 2 CFR 200.302, as follows:

1. Track all federal awards received and related expenditures separately for each federal program.
2. Provide accurate, current, and complete financial data to enable the disclosure of the results of each federal award.
3. Identify the source and application of funds (i.e., the system must be able to track authorizations, obligations, and disbursements, and tie any expenditures to eligible uses of ARP/CSLFRF funds.
4. Maintain control over, and accountability for, all funds, property, and other assets.
5. Compare budgeted amounts with actual expenditures.
6. Expenditures must be supported by the **County of Chowan's** written procedures for determining the allowability, reasonableness, and allocability of costs. (A written Allowable Cost/Cost Principles Policy is required.)

Control Activities:

- A recommended practice is to set up a grant project ordinance to separately account for and track expenditures of ARP/CSLFRF funds.
- Utilize a financial management system that meets the standards outlined in 2 CFR 200.302.

Segregation of Duties:
Duties and functions related to financial reporting are segregated to ensure no one person has control over all parts of a financial transaction.

Documentation:
Documentation of financial transactions is complete and accurate and facilitates tracing the transaction from authorization and initiation through disbursement.

- **Finance Officer** shall ensure that, at a minimum, accounting records evidencing authorizations, obligations, and expenditures of ARP/CSLFRF funds are created and retained according to record retention requirements.
- Source documentation is retained, including paid invoices, payrolls, time and attendance records, contracts, and subaward documents.

Reporting:
Finance Officer shall prepare monthly reports for the governing board that includes updates for grant project expenditures and a comparison of budget to actuals.

Reconciliation:
General ledger and subsidiary ledgers used to account for the receipt and disbursements of ARP/CSLFRF funds are reconciled monthly against account balances by someone who does not have record-keeping/bookkeeping functions.

Communication & Monitoring:
The **Finance Office** is responsible for communicating the financial management requirements and associated control activities to the appropriate personnel. All employees within the finance and accounting office have responsibility for internal controls, including the ongoing assessment of the effectiveness of internal control activities over the financial management system.

Eligibility (See Award Terms & Conditions for ARP/CSLFRF Eligibility Requirements)

Overview:
The unit is responsible for ensuring ARP/CSLFRF funds are expended on eligible projects and programs. The process for making eligibility determinations is described in the **County of Chowan's** Eligible Use Policy. (The control activities for Eligibility and Allowable Cost review are often combined.)

Objectives:

1. Ensure that supported projects and programs under the ARP/CSLFRF are eligible under one of the expenditure categories. (Eligible uses include projects identified in the Final Rule that fit within one of the four eligible use categories: COVID-19/Negative Economic Impacts, Revenue Replacement, Premium Pay, Investment in Necessary Broadband and Water/Sewer Infrastructure.)
2. Document eligibility review and project determinations.
3. Establish processes to ensure funds are not expended on ineligible uses. (Prohibited uses include bulk deposits into pension funds, debt services, replenishing financial reserves, the satisfaction of settlements and judgments, support for programs that undermine the effort to stop the spread of COVID-19, and any use that would violate state or local law.)

Control Activities:

- **Eligible Use Policy:** The **County of Chowan** has adopted an ARP/CSLFRF Eligible Use Policy that explains the eligible uses of ARP/CSLFRF award funds and includes the **County of Chowan's** process for reviewing and documenting eligibility determinations.
- **Authorization: Finance Officer** has reviewed applicable Treasury guidance, including the Final Rule, and has trained staff to conduct initial eligibility reviews for all project or program requests.

- **Documentation:** Each department is encouraged to use the SOG's Sample Eligibility Worksheet to document the review process. This documentation is retained for the five-year record retention period. **Finance Officer** is responsible for overseeing compliance with documentation and record retention requirements.

Communication & Monitoring:
Management will communicate eligibility requirements and project determinations internally to staff and externally to community members and stakeholders. Management will periodically review a sample of eligibility determinations to ensure that documentation is being maintained and that the supported projects are eligible.

Allowable Costs/Cost Principles, 2 CFR §§ 200.400 to 200.476

Overview:
The Uniform Guidance Cost Principles provide guidance on how to charge specific items of cost to a federal award. A written Allowable Cost/Cost Principles policy is required for compliance with 2 CFR 200 § 202.

Cost items charged using Revenue Replacement ARP/CSLFRF funds are subject to an allowable cost review. Cost items charged under the COVID-19/Negative Economic Impacts and Infrastructure Investment categories are subject to additional compliance requirements, including the Selected Item of Cost review. See Final Rule FAQ 13.15.

Objectives:

1. Ensure all costs charged to the federal award are allowable as defined in the Uniform Guidance, Subpart E—Cost Principles.
2. Consistently apply local policies to both federally financed and non-federally financed activities.
3. Treat costs consistently as direct or indirect costs.
4. Adequately document evidence of allowable cost review and other compliance requirements as necessary.
5. When applicable, appropriately charge indirect costs using either the Negotiated Independent Cost Rate Agreement (NICRA) or the de minimis rate of 10 percent.

Control Activities:

- **Policy:** The **County of Chowan** has adopted an Allowable Cost/Cost Principles Policy, as required by 2 CFR 200.302.
- **Segregation of duties:** When possible, duties are segregated between those who initiate, approve, and record financial transactions.
- **Training:** Management trains staff to conduct an allowable cost review in compliance with the UG Cost Principles. (See Cost Principles Policy for specific compliance requirements.)

- **Documentation: Finance Officer** shall ensure that documentation evidencing compliance with the Cost Principles is created and maintained through December 31, 2031. At a minimum, cost items will be reviewed for allowability prior to being charged to the federal award.

Communication & Monitoring:
Management shall ensure that staff is adequately trained to recognize allowable costs and associated compliance requirements for each eligibility category. Management shall periodically test the control activities by reviewing a sample of cost items charged to the ARP/CSLFRF award for allowability. Management will also test whether costs are charged to the proper project codes within the grant project ordinance.

Period of Performance (See Award Terms and Conditions)

Overview:
The Period of Performance covers the period of time the **County of Chowan** may obligate and expend ARP/ CSLFRF funds. ARP/CSLFRF funds must be used for costs incurred between March 3, 2021, and December 31, 2024. For a cost to be incurred, the funds must be obligated (e.g., contract executed/pre-audit stage). All obligated funds must be expended by December 31, 2026. Any unspent award funds must be returned to the Treasury.

Objective:
Ensure that all obligations and expenditures are incurred during the ARP/CSLFRF award's period of performance.

Control Activities:

- Management reviews obligation dates to ensure that all obligations are made for costs incurred between March 3, 2021, and December 31, 2024.
- Management trains staff to review obligation and expenditure dates on contracts, or when performing eligibility and allowable cost reviews.

Communication & Monitoring:
Management shall communicate pertinent dates, including the period of performance, to any staff responsible for obligating or expending federal award funds. Periodic testing by management will ensure that all obligations are incurred between March 3, 2021, and December 31, 2024.

Procurement, Suspension & Debarment, 2 CFR §§ 200.317 to 200.327

Overview:

Expenditures of ARP/CSLFRF funds under the revenue replacement category are exempt from federal procurement. When expending ARP/CSLFRF funds in other expenditure categories, the unit is required to adopt *written* procurement procedures and follow all federal procurement rules outlined in the Uniform Guidance (2 CFR §§ 200.318–200.327) as well as its own internal policies. Where established local or state rules are more strict than federal rules, the recipient must follow the most restrictive rule.

[Note: Any unit that triggers a federal Single Audit, even if only expending funds under revenue replacement, must adopt a written procurement policy and procure single audit services in accordance with 2 CFR §§ 200.320 and 200.509.]

Objectives:

The **Finance Office** recognizes it must satisfy the minimum federal procurement requirements, as follows:

1. Adopt a written procurement policy that considers the procurement standards in § 200.318, which includes bidding contracts in compliance with federal bidding thresholds, oversight of contractors' performance, and maintaining records to document the history of procurements.
2. Provide full and open competition in conducting procurements, consistent with the standards outlined in § 200.319 and § 200.320, which allow for non-competitive procurements only in limited circumstances.
3. Comply with the requirements of § 200.320(a) when using the micro-purchase and small purchase methods of procurement.
4. Use the sealed bids method for procurement contracts exceeding the simplified threshold. Utilize the competitive proposals method when sealed bidding is not possible.
5. Ensure noncompetitive procurement methods meet the conditions set forth under § 200.320(c).
6. Perform a cost or price analysis for every procurement action in excess of the simplified acquisition threshold, including contract modifications.
7. Pursuant to 2 CFR 200.319(b), if a firm assists in the development or drafting of specifications, statements of work, or bids or RFPs, the firm must be excluded from competing for the procurement.
8. Ensure that all contracts include the applicable contract provisions required by § 200.327 and described in Appendix II of 2 CFR 200.
9. Verify that a contractor is eligible by reviewing the suspended and debarred list on SAM.gov.
10. Restrict access to sensitive contractor information, such as Social Security numbers or federal tax ID numbers.

[Note: The control activities identified in this section are for illustrative purposes. Each unit should incorporate specific control activities to ensure that all contracts are executed in compliance with federal and state law. The procurement policy should detail the procurement processes. The unit may want to highlight specific control activities within this internal control policy, or it may simply reference its procurement policy.]

General Procurement Control Activities:

- Procurement Policy: The **County of Chowan** maintains documented procurement procedures that are consistent with the standards outlined in §§ 200.317 through 200.327. This policy contains detailed processes and control activities for procurements made with federal funds.
- **The Requesting Department and/or Finance Office** is responsible for monitoring and documenting the performance of a contract for compliance with contract terms, conditions, and other specifications.
- Prenumbered purchase orders are used.
- A pre-audit certificate that is signed by the **Finance Officer** is attached to all purchase orders, invoices, or other contract obligations.
- Ensure purchasing forms have multiple copies so other departments, such as receiving and accounts payable, can be notified of the authorization.
- Micro-purchases may be awarded without soliciting competitive quotes if a determination is made that the price is reasonable.
- Cost items shall be reviewed for allowability pursuant to the review process set forth in the Allowable Cost Policy.
- **Finance Officer** is responsible for identifying qualified vendors and rotating purchases made under the micro-purchase threshold among different suppliers. Management shall periodically check compliance with this control activity.
- **Finance Officer** shall verify that contractors are not on the suspended or debarred list. A screenshot of the record check shall be maintained.
- Access to sensitive contractor information, such as Social Security numbers or federal tax ID numbers, is restricted.

Segregation of Duties:

- Duties are segregated between authorization, custody, record-keeping, and reconciliation.
- The person who sets up new contractors in the accounting system or edits information on existing vendors (record-keeping) is not the same as the person writing the checks (authorization).
- Reconciliations are performed by an employee who does not have record-keeping duties.
- Invoices and other supporting documentation are thoroughly reviewed prior to the invoice being approved (e.g., compare the receiving or packaging slip against the authorization).

Documentation:
Documenting the history of procurements is a top internal control priority for the **County of Chowan**. All request personnel shall be trained on documentation and record retention policies**.**
Bid documents shall reflect all steps in the procurement process, including:

- Â bid specifications and proof of advertisement (if required),
- Â rationale for the selected method of procurement,
- Â bid submissions,

- Å evaluation criteria,
- Å basis for contractor selection or rejection,
- Å justification for lack of competition, when applicable,
- Å basis for award cost or price, and
- Å contract agreement, including required UG contract clauses.

- Source documentation relating to procurements must be retained and should include sufficient details to support the transaction, including:
  - Å cost and quantity of items purchased,
  - Å model numbers,
  - Å purchase orders with and pre-audit certificates, and
  - Å personnel who authorized the sale, if applicable.

- All records shall be maintained for a period of five (5) years after the ARP/CSLFRF period of performance (through December 31, 2031).

Communication & Monitoring:
Management shall ensure purchasing and finance staff understand federal procurement laws. Additional training shall be provided as necessary. Management will periodically review purchase orders and contracts to ensure that all charges are accounted for in the period in which the cost occurred and fall within the period of performance.

County of Chowan Procurement Policy

Section 1: Purpose

Application of Policy. The purpose of this policy is to establish guidelines for the procurement of goods, apparatus, supplies, materials, equipment, professional and non-professional services, and construction or repair work that is funded, in whole or in part, with federal financial assistance.

The **County of Chowan** shall comply with the standards established in this policy, as well as with state law and any other policies and procedures adopted by the **County of Chowan**. The requirements of the Policy also apply to any subrecipient of federal financial assistance. In the case of a conflict in governing law or local policy, the **County of Chowan** shall follow the most restrictive rule.

Compliance with Federal Law. Unless otherwise directed in writing by the federal awarding agency, or by a state agency acting as a passing-through entity, all procurements that involve the expenditure of federal financial assistance (federal awards) shall be conducted in accordance with the federal procurement requirement identified in 2 C.F.R. §§ 200.318–.327, of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (the Uniform Guidance).

Section 2: Code of Conduct

The **County of Chowan** has adopted standards of conduct covering conflicts of interest and governing the actions of its employees, officers, and agents who are engaged in the selection, award, and administration of federal award contracts.[1]

Section 3: Pre-Solicitation Requirements

Prior to any procurement transaction, the following pre-solicitation requirements shall be considered.

1. **No Evasion**. No contract may be intentionally divided into two or more separate purchases with the intent to avoid federal or state competitive procurement requirements.

2. **Interlocal Agreements**. The **County of Chowan** shall explore the feasibility of entering into state and local intergovernmental agreements or cooperative agreements, where appropriate, for the procurement of common goods and shared services. Competition

[1] 2 C.F.R. § 200.318.

requirements may be met with documented procurement actions using strategic sourcing, shared services, and other similar procurement arrangements.[2]

3. **Surplus Property**. The **County of Chowan** shall avoid the acquisition of unnecessary or duplicative items and shall explore the feasibility of purchasing federal surplus property in lieu of purchasing new equipment and property.[3]

4. **Value Engineering**. The **County of Chowan** shall consider opportunities to use value engineering in contracts for permanent restorative work projects that are of sufficient size to offer reasonable opportunities for cost reduction.[4]

5. **Domestic Preferences**. To the greatest extent practicable, the **County of Chowan** shall provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States, including but not limited to iron, aluminum, steel, cement, and other manufactured products.[5] No sacrifice or loss in price or quality is required in providing this preference, and no preference shall be given if such preference would violate any trade treaty to which the United States is a signatory.[6]

6. **Geographic Preference**. The **County of Chowan** shall conduct procurements in a manner that prohibits the use of statutorily or administratively imposed in-state or local geographical preferences in the evaluation of bids or proposals, except in those cases where applicable federal statutes expressly mandate or encourage geographic preference. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.[7]

7. **Contracting with Minority-Owned, Women-Owned, and Small Business Firms**. For all contracts above the micropurchase threshold, the **County of Chowan** shall take all necessary affirmative steps to assure that minority businesses, small businesses, women's business enterprises, historically underutilized businesses, and labor surplus

[2] 2 C.F.R. § 200.318(e).
[3] 2 C.F.R. § 200.318(f).
[4] 2 C.F.R. § 200.318(g); Value engineering is a systematic and creative analysis of each contract item or task undertaken to ensure that its essential function is provided at the overall lowest cost.
[5] 2 C.F.R. § 200.322(a); The requirements of this section shall be included in all subawards, including all contracts and purchase orders for work or products under the federal award.
[6] 2 C.F.R. 200.322(b); "Produced in the United States" means, for iron and steel products, that all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States. "Manufactured products" means items and construction materials composed, in whole or in part, of non-ferrous metals such as aluminum; plastics and polymer-based products such as polyvinyl chloride pipe; aggregates such as concrete; glass, including optical fiber; and lumber.
[7] 2 C.F.R. § 200.319(c);. A preference may be afforded to A/E firms located within in the state of North Carolina only when the state from which an outside bid was received provides a reciprocal preference. *See* Chapter 143, Section 64.31(a1) of the North Carolina General Statutes (hereinafter G.S.).

area firms are used when possible.[8] These affirmative steps shall include:

a. placing qualified small and minority businesses and women's business enterprises on solicitation lists and soliciting these businesses whenever they are potential sources;

b. dividing, when economically feasible, project requirements into smaller tasks or quantities and establishing delivery schedules that encourage maximum participation;

c. identifying firms through the U.S. Small Business Administration (SBA)[9] and the U.S. Department of Commerce's Minority Business Development Agency[10]; and

d. requiring the prime contractor, if subcontracts are to be awarded, to take the affirmative steps included in this section in an effort to make reasonable efforts to contract with disadvantaged business enterprises.[11]

8. **Cost or Price Analysis**. Prior to awarding a contract, **County of Chowan** shall perform a cost or price analysis in connection with every procurement above the Simplified Acquisition Threshold, including contract modifications.[12] See Section 6.4 for additional requirements of the cost/price analysis.

9. **Procurement of Recovered Materials.** The **County of Chowan** shall comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the U.S. Environmental Protection Agency (EPA) at 40 C.F.R. part 247 containing the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds $10,000 or the value of the quantity acquired by the preceding fiscal year exceeded $10,000; procuring solid waste management services in a manner

[8] A "small business" is independently owned and operated, not dominant in the field of operation in which it is bidding, and qualified as a small business under the Small Business Administration criteria and size standards at 13 C.F.R. Part 121. A "women's business enterprise" (1) is at least 51 percent owned by one or more women or, in the case of a publicly owned business, has one or more women owning at least 51 percent of the stock and (2) has one or more women in control of management and daily operations. A "minority business" (1) is at least 51 percent owned by one or more minority group members or, in the case of a publicly owned business, has one or more minority group members owning at least 51 percent of the stock and (2) has one or more minority group member in control of management and daily operations. A "labor surplus area" is an area with a civilian average annual unemployment rate during the previous two calendar years of 20 percent or more above the national average over the same period. A "labor surplus area firm" is one that, together with its first-tier subcontractors, will perform substantially in labor surplus areas, as defined by the U.S. Department of Labor's Employment and Training Administration. The Department of Labor's list of labor surplus areas is available on-line at https://www.doleta.gov/programs/lsa.

[9] For more information, visit the SBA's website at https://www.sba.gov/.

[10] For more information, visit the Minority Business Development Agency's website at https://www.mbda.gov/.

[11] 2 C.F.R. § 200.321; 45 C.F.R. § 75.330.

[12] 2 C.F.R. § 200.324.

that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines. For federally funded solicitations, the requesting department shall include in the specifications the use of fully or partially recovered (recycled) materials to the greatest extent consistent with reasonable performance standards in accordance with federal regulations.[13]

Section 4: Solicitation Requirements

1. **Full and Open Competition**. Procurements shall be conducted in a manner that provides full and open competition to ensure objective supplier performance and eliminate unfair competitive advantage. The **County of Chowan** shall remain alert to organizational conflicts which would jeopardize the negotiation process and limit competition. The **County of Chowan** may not:

    a. place unreasonable requirements on firms in order for them to qualify to do business;

    b. require unnecessary experience and excessive bonding or encourage or participate in non-competitive practices among firms or affiliated companies;

    c. award non-competitive consultant retainer contracts except as expressly provided by funding-source regulations;

    d. specify (1) that only a "brand name" product be used instead of allowing an "equivalent product" to be offered, though a "brand name or equivalent" description may be used to define the performance or other salient requirements of procurement or (2) the specific features, performance, or other relevant requirements of the named brand that must be met by offerors; or

    e. take any arbitrary actions that limit or restrict competition. [14]

2. **Contractors Excluded from Bidding**. To ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals are excluded from competing for the underlying procurement contract.

3. **Prequalification**. The **County of Chowan** ensure that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. The prequalified list shall be routinely updated. Potential bidders shall not be precluded

[13] 2 C.F.R. § 200.323.
[14] 2 C.F.R. § 200.319(b).

from qualifying during the solicitation period.[15]

4. **Product Descriptions.** All solicitations shall incorporate a clear and accurate description of the technical requirements for the material, service, or product to be procured. In competitive procurements, these descriptions shall not contain features which unduly limit competition. The description may include a statement of the qualitative nature of the material, product, or service and, when necessary, the minimum essential characteristics and standards to which it shall conform if it is to satisfy its intended use. Detailed product specifications shall be avoided whenever possible. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a "brand name or equivalent" description may be used to define the performance or other salient requirements of procurement. The solicitation shall identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.[16]

Section 5: Bidding Requirements

Specific Procurement Procedures

The Requesting Department shall solicit bids in accordance with the requirements under this Section of the Policy based on the type and cost of the contract.

A. Service Contracts (except for A/E professional services) and **Purchase Contracts costing less than $10,000** shall be procured using the Uniform Guidance "micro-purchase" procedure (2 C.F.R. § 200.320(a)) as follows:

1. The contract may be awarded without soliciting pricing or bids if the price of the goods or services is considered to be fair and reasonable.
2. To the extent practicable, purchases must be distributed among qualified suppliers.

B. Service Contracts (except for A/E professional services) and **Purchase Contracts costing $10,000 up to $90,000** shall be procured using the Uniform Guidance "small purchase" procedure (2 C.F.R. § 200.320(b)) as follows:

1. Obtain price or rate quotes from an "adequate number" of qualified sources (a federal grantor agency might issue guidance interpreting "adequate number," so the Requesting Department should review the terms and conditions of the grant award documents to confirm whether specific guidance has been issued).
2. Take affirmative steps to solicit price quotes from M/WBE vendors and suppliers as required under 2 C.F.R. § 200.321.
3. Cost or price analysis is not required prior to soliciting bids.
4. Award the contract on a fixed-price basis (a not-to-exceed basis is permissible for service contracts where obtaining a fixed price is not feasible).

[15] 2 C.F.R. § 200.319(e).
[16] C.F.R. § 200.319(d).

5. Award the contract to the lowest responsive, responsible bidder.

C. Service Contracts (except for A/E professional services) and **Purchase Contracts <u>costing $90,000 and above</u>** shall be procured using a combination of the most restrictive requirements of the Uniform Guidance "sealed bid" procedure (2 C.F.R. § 200.320(c)) and state formal bidding procedures (G.S. 143-129) as follows:

1. Cost or price analysis is required prior to soliciting bids.
2. Complete specifications or purchase description must be made available to all bidders.
3. The bid must be formally advertised in a newspaper of general circulation for at least seven full days between the date of the advertisement and the date of the public bid opening. Electronic-only advertising must be authorized by the governing board. The advertisement must state the date, time, and location of the public bid opening, indicate where specifications may be obtained, and reserve to the governing board the right to reject any or all bids only for "sound documented reasons."
4. Take affirmative steps to solicit price quotes from M/WBE vendors and suppliers as required under 2 C.F.R. § 200.321.
5. Open bids at the public bid opening on the date, time, and at the location noticed in the public advertisement. All bids must be submitted sealed. A minimum of 2 bids must be received in order to open all bids.
6. Award the contract to the lowest responsive, responsible bidder on a fixed-price basis. Governing board approval is required for purchase contracts unless the governing board has delegated award authority to an individual official or employee. Any and all bids may be rejected only for "sound documented reasons."

Note Regarding Service Contracts Costing $90,000 up to $250,000: *Local government service contracts are not subject to state competitive bidding requirements. If a local government does not require competitive proposals (RFPs) for service contracts under its local policy, it may choose to follow the UG small purchase procedure for service contracts costing $10,000 up to $250,000, and then follow the UG sealed bid or competitive proposal method for service contracts costing $250,000 or more. If the local policy regarding service contracts is more restrictive, the local policy should be followed.*

D. Service Contracts (except for A/E professional services) **<u>costing $250,000 and above</u>** may be procured using the Uniform Guidance "competitive proposal" procedure (2 C.F.R. § 200.320(d)) when the "sealed bid" procedure is not appropriate for the particular type of service being sought. The procedures are as follows:

1. A Request for Proposals (RFP) must be publicly advertised. Formal advertisement in a newspaper is not required so long as the method of advertisement will solicit proposals from an "adequate number" of qualified firms.
2. Take affirmative steps to solicit price quotes from M/WBE vendors and suppliers as provided under 2 C.F.R. § 200.321.

3. Identify evaluation criteria and relative importance of each criteria (criteria weight) in the RFP.
4. Consider all responses to the publicized RFP to the maximum extent practical.
5. Must have a written method for conducting technical evaluations of proposals and selecting the winning firm.
6. Award the contract to the responsible firm with most advantageous proposal taking into account price and other factors identified in the RFP. Governing board approval is not required.
7. Award the contract on a fixed-price or cost-reimbursement basis.

E. Construction and repair contracts <u>costing less than $10,000</u> shall be procured using the Uniform Guidance "micro-purchase" procedure (2 C.F.R. § 200.320(a)) as follows:

1. The contract may be awarded without soliciting pricing or bids if the price of the goods or services is considered to be fair and reasonable.
2. To the extent practicable, contracts must be distributed among qualified suppliers.

F. Construction and repair contracts <u>costing $10,000 up to $250,000</u> shall be procured using the Uniform Guidance "small purchase" procedure (2 C.F.R. § 200.320(b)) as follows:

1. Obtain price or rate quotes from an "adequate number" of qualified sources (a federal grantor agency might issue guidance interpreting "adequate number," so the requesting department should review the terms and conditions of the grant award documents to confirm whether specific guidance has been issued).
2. Take affirmative steps to solicit price quotes from M/WBE vendors and suppliers as required under 2 C.F.R. § 200.321.
3. Cost or price analysis is not required prior to soliciting bids, although price estimates may be provided by the project designer.
4. Award the contract on a fixed-price or not-to-exceed basis.
5. Award the contract to the lowest responsive, responsible bidder. Governing board approval is not required.

G. Construction and repair contracts <u>costing $250,000 up to $500,000</u> shall be procured using the Uniform Guidance "sealed bid" procedure (2 C.F.R. § 200.320(c)) as follows:

1. Cost or price analysis is required prior to soliciting bids (this cost estimate may be provided by the project designer).
2. Complete specifications must be made available to all bidders.
3. Publically advertise the bid solicitation for a period of time sufficient to give bidders notice of opportunity to submit bids (formal advertisement in a newspaper is not required so long as other means of advertising will provide sufficient notice of the opportunity to bid). The advertisement must state the date, time, and location of the public bid opening, and indicate where specifications may be obtained.

4. Take affirmative steps to solicit price quotes from M/WBE vendors and suppliers as provided under 2 C.F.R. § 200.321.
5. Open the bids at the public bid opening on the date, time, and at the location noticed in the public advertisement. All bids must be submitted sealed. A minimum of 2 bids must be received in order to open all bids.
6. A 5% bid bond is required of all bidders. Performance and payment bonds of 100% of the contract price is required of the winning bidder.
7. Award the contract on a firm fixed-price basis.
8. Award the contract to the lowest responsive, responsible bidder. Governing board approval is not required. Any and all bids may be rejected only for "sound documented reasons."

H. Construction and repair contracts <u>costing $500,000 and above</u> shall be procured using a combination of the most restrictive requirements of the Uniform Guidance "sealed bid" procedure (2 C.F.R. § 200.320(c)) and state formal bidding procedures (G.S. 143-129) as follows:

1. Cost or price analysis is required prior to soliciting bids (this cost estimate should be provided by the project designer).
2. Complete specifications must be made available to all bidders.
3. Formally advertise the bid in a newspaper of general circulation for at least seven full days between the date of the advertisement and the date of the public bid opening. Electronic-only advertising must be authorized by the governing board. The advertisement must state the date, time, and location of the public bid opening, indicate where specifications may be obtained, and reserve to the governing board the right to reject any or all bids only for "sound documented reasons."
4. Take affirmative steps to solicit price quotes from M/WBE vendors and suppliers as provided under 2 C.F.R. § 200.321.
5. Open the bids at the public bid opening on the date, time, and at the location noticed in the public advertisement. All bids must be submitted sealed and in paper form. A minimum of 3 bids must be received in order to open all bids.
6. A 5% bid bond is required of all bidders (a bid that does not include a bid bond cannot be counted toward the 3-bid minimum requirement). Performance and payment bonds of 100% of the contract price is required of the winning bidder.
7. Award the contract on a firm fixed-price basis.
8. Award the contract to the lowest responsive, responsible bidder. Governing board approval is required and cannot be delegated. The governing board may reject and all bids only for "sound documented reasons."

I. Construction or repair contracts involving a building <u>costing $300,000 and above</u> must comply with the following additional requirements under state law:

1. Formal HUB (historically underutilized business) participation required under G.S. 143-128.2, including local government outreach efforts and bidder good faith efforts, shall apply.

2. Separate specifications shall be drawn for the HVAC, electrical, plumbing, and general construction work as required under G.S. 143-128(a).
3. The project shall be bid using a statutorily authorized bidding method (separate-prime, single-prime, or dual bidding) as required under G.S. 143-129(a1).

J. Contracts for Architectural and Engineering Services costing <u>under $250,000</u> shall be procured using the state "Mini-Brooks Act" requirements (G.S. 143-64.31) as follows:

1. Issue a Request for Qualifications (RFQ) to solicit qualifications from qualified firms (formal advertisement in a newspaper is not required). Price (other than unit cost) shall not be solicited in the RFQ.
2. Take affirmative steps to solicit price quotes from M/WBE vendors and suppliers as provided for under 2 C.F.R. § 200.321.
3. Evaluate the qualifications of respondents based on the evaluation criteria developed by the Purchasing Department and/or Requesting Department.
4. Rank respondents based on qualifications and select the best qualified firm. Price cannot be a factor in the evaluation. Preference may be given to in-state (but not local) firms.
5. Negotiate fair and reasonable compensation with the best qualified firm. If negotiations are not successfully, repeat negotiations with the second-best qualified firm.
6. Award the contract to best qualified firm with whom fair and reasonable compensation has been successfully negotiated. Governing board approval is not required.

K. Contracts for Architectural and Engineering Services costing <u>$250,000 or more</u> shall be procured using the Uniform Guidance "competitive proposal" procedure (2 C.F.R. § 200.320(d)(5)) as follows:

1. Publically advertise a Request for Qualifications (RFQ) to solicit qualifications from qualified firms (formal advertisement in a newspaper is not required). Price (other than unit cost) shall not be solicited in the RFQ.
2. Take affirmative steps to solicit price quotes from M/WBE vendors and suppliers as provided under 2 C.F.R. § 200.321.
3. Identify the evaluation criteria and relative importance of each criteria (the criteria weight) in the RFQ.
4. Proposals must be solicited from an "adequate number of qualified sources" (an individual federal grantor agency may issue guidance interpreting "adequate number").
5. Must have a written method for conducting technical evaluations of proposals and selecting the best qualified firm.
6. Consider all responses to the publicized RFQ to the maximum extent practical.
7. Evaluate qualifications of respondents to rank respondents and select the most qualified firm. Preference may be given to in-state (but not local) firms provided that granting the preference leaves an appropriate number of qualified firms to compete for the contract given the nature and size of the project.

8. Price cannot be a factor in the initial selection of the most qualified firm.
9. Once the most qualified firm is selected, negotiate fair and reasonable compensation. If negotiations are not successfully, repeat negotiations with the second-best qualified firm.
10. Award the contract to best qualified firm with whom fair and reasonable compensation has been successfully negotiated. Governing board approval is not required.

Section 6: Contract Award

1. **Responsible Contractors**. Contracts shall only be awarded to responsible, responsive contractors/firms possessing the ability to perform successfully under the terms and conditions of the proposed procurement. "Responsible" refers to the character or quality of the bidder, with consideration being given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources. "Responsive" refers to the bidder's compliance with all required specifications in the formal solicitation.

2. **Suspension and Debarment**. Prior to awarding a contract, the **Finance Office** shall verify that a potential contractor is not debarred or suspended using the System for Award Management (SAM.gov). If a contractor has been debarred, suspended, or is otherwise excluded from participation in a federal award program, the contractor may not be awarded the contract. The **Finance Office** shall maintain documentation of this verification.

3. **Bid Rejections**. Bid submissions and/or proposals may be deemed non-responsive, or contractors may be determined to be non-responsible, for any sound documented reason(s). The documentation will state the reason(s) why each bidder failed to satisfy the responsive, responsible contractor standard for a particular procurement.

    a. **Cost and Price Analysis.** Prior to receiving bids or proposals, the **Requesting Department** is required to perform a cost or price analysis in connection with every procurement transaction, including contract modifications, falling above the simplified acquisition threshold ($250,000).[17] To satisfy this requirement, the **Requesting Department** shall prepare and submit a memorandum containing the cost/price analysis to **Finance Office.**

    b. A price analysis involves the evaluation of the total proposed price without an evaluation of its separate cost elements and proposed profit. A price analysis is used to verify that the overall price for a specific item is fair and reasonable.

    c. A cost Analysis involves the evaluation of the separate elements that make up the

[17] 2 C.F.R. § 200.324(a).

total cost of a contract (e.g., labor, materials, profit, etc.). The cost analysis is required for new contracts and contract modifications or change orders, even when the change order results in a lower contract price. [18]

4. **Profit**. For contracts without price competition, or where cost analysis is required in accordance with 2 C.F.R. § 200.323(a), the **County of Chowan** must negotiate profit as a separate price element. To establish a fair and reasonable profit, consideration shall be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of the contractor's past performance, and industry profit rates in the surrounding geographical area for similar work.[19]

5. **Estimated Costs**. The **County of Chowan** shall use estimated costs in negotiating contract terms only to the extent that the cost estimates included in negotiated prices are allowable under the 2 C.F.R. Part 200, Subpart E, "Cost Principles."[20]

6. **Bonding Requirements**. For construction contracts or subcontracts that exceed the simplified acquisition threshold ($250,000), the **County of Chowan** shall require that contractors meet the minimum bonding requirements listed below.

   To be submitted with the bidding documents:

   A *bid guarantee* from each bidder equivalent to five percent (5%) of the bid price.[21] The bid guarantee must consist of a firm commitment, such as a bid bond, certified check, or other negotiable instrument accompanying a bid, as assurance that the bidder shall, upon acceptance of the bid, execute such contractual documents as may be required within the time specified.

   To be submitted at the time of contract award:

   A *performance bond* on the part of the contractor that is for 100 percent (100%) of the contract price.[22] A performance bond is a bond executed in connection with a contract to secure fulfillment of all the contractor's obligations under such

[18] Price analysis involves the examination and evaluation of a proposed price without an evaluation of its separate components (cost and profit). For example, the comparison of competing offers or the comparison of quoted prices with independent estimates falls within a price analysis. Cost analysis involves the review and evaluation of the separate cost elements, such as labor hours, overhead, materials, etc., and the proposed profit in order to determine a fair and reasonable price. This analysis is usually used to establish the basis for negotiating (1) contract prices for procurement by request for proposal, (2) contract modifications, and (3) in any other case where price analysis by itself does not ensure price reasonableness.

[19] 2 C.F.R. § 200.324(b).

[20] 2 C.F.R. § 200.324(c). Units may reference their own cost principles policy. For example, a unit may want to limit the use of estimated costs to A/E contracts that are federally funded.

[21] 2 C.F.R. § 200.325(a). [[Deleted bc repetitive of text]]

[22] 2 C.F.R. § 200.325(b). [[Same comment as immed. above]]

contract.

A *payment bond* on the part of the contractor that is for 100 percent (100%) of the contract price. A payment bond is a bond executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.[23]

Section 7: Prohibited Contracts

1. **Costs-Plus-a-Percentage-of-Construction-Cost Contracts**. The award of costs plus a percentage of construction cost contracts are prohibited.[24]

2. **Time-and-Materials Contracts Disfavored**. The **County of Chowan** shall only enter into time and materials contracts if it has determined in writing that no other contract type is suitable for a given procurement. Time and materials contracts prescribe cost as the sum of (a) actual cost of materials and (b) direct labor hours charges at fixed hourly rates that reflect wages, general and administrative expenses, and profit. Use of time and materials contracts shall require an established price ceiling to ensure that the agreement does not allow for an open-ended contract price with no profit incentive for the contractor to control costs or labor efficiency. These contracts shall be subject to frequent oversight to ensure that the contractor employs efficient methods and effective cost controls.[25]

Section 8: Contract Administration

1. **Contract Oversight**. The **County Manager/Finance Officer** shall provide proper oversight to ensure that contractors and firms perform the contract requirements in accordance with the terms, conditions, and specifications of their contracts or purchase orders.

2. **Contract Clauses**. All procurement contracts shall contain the applicable provisions described in Appendix II to 2 C.F.R. Part 200, "Contract Provisions for Non-Federal Entity Contracts Under Federal Awards."[26]

3. **Record Retention**. The **County of Chowan** shall maintain records sufficient to detail the history of each procurement, including the rationale for the method of procurement and selection of contract type, the basis for the contractor selection or rejection, and the basis for the contract price.[27] These records include, but are not limited to, supporting documentation showing the rationale for the procurement method; written

[23] 2 C.F.R. § 200.326.
[24] 2 C.F.R. § 200.324(d).
[25] 2 C.F.R. § 200.318(j).
[26] 2 C.F.R. § 200.327; Appendix II to 2 C.F.R. Part 200. For assistance with the Appendix II contract clauses, see the document Sample Contract Terms Compliance with the Uniform Guidance Procurement Requirements.
[27] 2 C.F.R. 200.318(i).

price or rate quotations, such as catalog price, online price, email or written quotes, copies of advertisements, requests for proposals, and bid sheets or bid proposal packets; bid rejection and award letters; purchase orders; executed contracts; and any other supporting documentation or financial records relating to the procurement transaction.

4. **Retention Period**. Unless a federal award prescribes a different record retention period, all financial records, supporting documents, statistical records, and all other records pertinent to a federal award shall be retained for a period of three years from the date of submission of the final expenditure report or, for federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the federal awarding agency or pass-through entity in the case of a subrecipient.[28] An exception to the standard retention period may exist if any of the following circumstances is satisfied:

    a. If any litigation, claim, or audit is started before the expiration of the three-year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken.

    b. When the **County of Chowan** has been notified in writing by the federal awarding agency or pass-through entity that the retention period has been extended.

    c. Records for real property and equipment shall be retained for three years after final disposition.

Section 9: Awarding Agency or Pass-Through Entity Review

1. **Agency Review**. Upon request of the awarding federal agency, the **County of Chowan** shall make available technical specifications on proposed procurements where the awarding agency believes such review is needed to ensure that the item and/or service specified is the one being proposed for acquisition.[29] The **County of Chowan** shall make the pre-procurement and procurement documents available upon request of the federal awarding agency or pass-through entity when any of the circumstances set forth in 2 C.F.R. § 200.325(b) are satisfied.[30]

Section 10: Compliance with Policy Provisions

1. **Penalties Imposed by Federal Awarding Agency.** If it has been determined that the

[28] 2 C.F.R. 200.334. Procurement records related to expenditures of Coronavirus State and Local Fiscal Recovery Funds pursuant to the American Rescue Plan Act must be retained for a period of five years.
[29] 2 C.F.R. § 200.325(a).
[30] 2 C.F.R. § 200.325(b).

County of Chowan has failed to comply with the U.S. Constitution, federal statutes, regulations, or the terms and conditions of a federal award, the federal awarding agency or pass-through entity may impose additional conditions on the **County of Chowan**, as described in 2 C.F.R. § 200.208. In cases in which noncompliance cannot be remedied by the imposition of additional conditions, the federal awarding agency or pass-through entity may take one or more of the following actions: temporarily withhold cash payments, disallow costs, suspend or terminate the award, initiate suspension or debarment proceedings, withhold further federal awards for the project or program, or take other remedies legally available.[31]

[31] 2 C.F.R. § 200.339.