



SUBRECIPIENT AGREEMENT FOR CARES ACT FUNDING
BETWEEN
THE NORTH CAROLINA DEPARTMENT OF PUBLIC SAFETY, OFFICE OF RECOVERY AND RESILIENCY ("NCORR")
AND
DURHAM COUNTY DEPARTMENT OF SOCIAL SERVICES ("Subrecipient")
("Agreement")

Entered into this _____ day of _____, 2020 ("Effective Date")

SUBAWARD INFORMATION

<i>Subrecipient Name:</i>	Durham County Department of Social Services	
<i>Subrecipient's unique entity identifier (DUNS):</i>		
<i>NCORR Agreement Number:</i>	CV-DU-019190920	
<i>Subaward Period of Performance Start and End Date:</i>	Effective date to February 28, 2021	
<i>Name of Federal Awarding Agency:</i>	<ul style="list-style-type: none"> - U.S. Department of the Treasury ("Treasury") - U.S. Department of Housing and Urban Development ("HUD") (Grant No. B-20-MW-37-0001) 	
<i>Total Amount of Federal Funds allocated to the Subrecipient:</i>	Subrecipient will be allocated an amount not to exceed \$ \$2,451,036 of federal funds that include Treasury Coronavirus Relief Funds and HUD Community Development Block Grant - Coronavirus funds (Rider #1 is incorporated in this Agreement).	
<i>Federal Award Program Description:</i>	Emergency assistance payments to prevent evictions and utility disconnections, and encourage housing stability in response to the COVID-19 crisis.	
<i>CFDA Number</i>	21.019 for Treasury Coronavirus Relief Funds 14.228 for HUD CDBG-CV funds	
<i>Name of pass-through entity:</i>	State of North Carolina, NCORR	
<i>NCORR Contact Information:</i>	North Carolina Office of Recovery and Resiliency Angie Dunaway, NCORR Contract Administrator PO Box 110465 Durham, NC 27709 Phone: (984) 833-5350; Fax: (919) 405-7392 E-mail: angie.dunaway@ncdps.gov	
<i>Subrecipient Contact Information and Representative for notices:</i>	<i>DURHAM COUNTY DSS</i>	
	<i>Name:</i>	
	<i>Title:</i>	
	<i>Address:</i>	
	<i>Phone:</i>	
	<i>E-mail:</i>	
<i>Research and Development?</i>	This is subaward is not for research and development.	

RECITALS

THIS AGREEMENT is entered into the aforementioned Effective Date, by and between NCORR and Subrecipient. NCORR and Subrecipient shall sometimes be referred to herein individually as the “Party” or collectively as the “Parties.”

WHEREAS, on March 13, 2020, the President of the United States issued a Proclamation on Declaring a National Public Health Emergency as a result of the COVID-19 outbreak; and

WHEREAS, on March 27, 2020, the Coronavirus Aid, Relief and Economic Security Act (the “CARES Act”) (Public Law 116-136), was signed into law; and

WHEREAS, the CARES Act established the Coronavirus Relief Fund (“CRF”), which provides aid State and local governments to address necessary expenditures due to the COVID-19 Public Health Emergency; and

WHEREAS, NCORR received CRF funding from the U.S Department of Treasury by way of the North Carolina General Assembly appropriating and allocating \$66 Million of those funds to NCORR; and

WHEREAS, Section 601(d) of the Social Security Act, as added by section 5001 of the CARES Act requires that the CRF funds cover only those costs that (1) are necessary expenditures incurred due to the public health emergency with respect to the COVID-19; (2) were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the state or local government; and (3) were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020; and

WHEREAS, the United States Department of Housing and Urban Development (“HUD”) has awarded certain Community Development Block Grant (“CDBG”) program funds to the State of North Carolina under the provisions of Title I of the United States Housing and Community Development Act of 1974, as amended (42 U.S.C. § 5301, *et seq.*) and implementing regulations at 24 C.F.R. § 570, *et seq.*; and

WHEREAS, the CARES Act has allocated supplemental CDBG Coronavirus (“CDBG-CV”) funds; and

WHEREAS, the Department of Commerce (“DOC”) serves as grantee of CDBG-CV funds for the State, executing the HUD grant agreement on August 17, 2020 for the second tranche of CDBG-CV funds in an amount totaling \$28,517,231; and

WHEREAS, DOC and NCORR have agreed that NCORR will serve to administer a public service program utilizing the second tranche of CDBG-CV grant funds, and any future inter-agency agreement provisions may, at NCORR’s discretion, be incorporated herein by reference; and

WHEREAS, Subrecipient will be subject to the Rider #1 implementing additional conditions of the CDBG-CV grant program; and

WHEREAS, NCORR is utilizing both CRF and CDBG-CV funding sources (herein referenced together as CARES Act funds, funds, or funding, unless so explicitly stated) for the purposes of administering an emergency rental and utility assistance program (herein referenced as the “Program”) to assist needy families during the pandemic, and has selected Subrecipient on all assurances provided to serve as a partner in effectuating the Program.

NOW, THEREFORE, the Parties mutually agree as follows:

I. TERM AND PERIOD OF PERFORMANCE

This Agreement shall become effective on the date of execution and end on February 28, 2021 (the “Initial Term”). This Agreement may be extended beyond the Initial Term only upon the written approval of both Parties; provided, however, that all terms and conditions of this Agreement shall remain in full force and effect unless this Agreement is specifically amended.

The Subrecipient hereby acknowledges that this Agreement is subject to the availability of the federal funds and grants. The Subrecipient further acknowledges and agrees that any suspension, cancellation, or termination of the federal awards will result in the immediate suspension, cancellation, or termination of this Agreement, upon NCORR's notice.

II. SCOPE OF SERVICE AND WORK

A. Activities: Subrecipient shall be responsible for administering all COVID-19 response activities in a manner satisfactory to NCORR and consistent with any standards required as a condition of providing these funds. Allowable activities, as specified in this Agreement, must be directly tied to response and recovery efforts related to COVID-19 and must be allowable pursuant to the CARES Act funding requirements.

B. Eligible Expenses: NCORR in its sole and absolute discretion, may reimburse and/or provide funding to Subrecipient for "Eligible Expenses" as described in Attachment A (Scope of Work) of this Agreement. Notwithstanding anything herein to the contrary, "Eligible Expenses" shall not include lost government revenue. Failure of Subrecipient to comply with the provisions of this Agreement, including non-compliance with 2 C.F.R. 200 applicable provisions, may result in expenses being disallowed, withholding of federal funds, and/or termination of this Agreement.

III. NOTICES

All Notices between the Parties shall be submitted and delivered to the respective parties' contact information as stated in the section entitled "Subaward Information."

IV. TERMS AND CONDITIONS

A. Compliance with State and Local Requirements: Subrecipient acknowledges that this Agreement requires compliance with the laws and policies of the State of North Carolina and with all applicable state and local orders, laws, regulations, rules, policies, and certifications governing any activities undertaken during the performance of this Agreement.

B. Compliance with Federal Requirements: Subrecipient agrees to comply with all applicable federal laws, regulations, federal register notices and policies governing the funds provided under this Agreement. This Agreement requires compliance with certain provisions of Title 2 C.F.R. 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Furthermore, Subrecipient acknowledges that all CARES Act funding are considered to be federal financial assistance subject to:

- 1) the Single Audit Act (31 U.S.C. 7501-7507), wherein Subrecipient is subject to a single audit or program specific audit pursuant to 2 C.F.R. 200.501(a) when Subrecipient spends \$750,000 or more in federal awards during their fiscal year;
- 2) 2 C.F.R. 200.303 regarding internal controls;
- 3) 2 C.F.R. 200.330 through 200.332 regarding subrecipient monitoring and management; fund payments are subject to Subpart F regarding audit requirements.

C. Federal Funding Accountability and Transparency Act (FFATA): The Subrecipient shall also comply with the requirements of 2 C.F.R., Part 25 Universal Identifier and System for Award Management (SAM). The Subrecipient must have an active registration in SAM in accordance with 2 C.F.R., Part 25, Appendix A, and must have a Data Universal Numbering System (DUNS) number. The Subrecipient must also comply with provisions of the Federal Funding Accountability and Transparency Act, which includes requirements on executive compensation, and 2 C.F.R., Part 170 Reporting Subaward and Executive Compensation Information.

D. Procurement: Subrecipient must obtain authorization from NCORR should it plan to solicit or procure for goods and services with CARES Act funds. If authorized to procure or solicit using CARES Act funds, Subrecipient shall follow the applicable federal requirements and procurement standards as stated in 2 C.F.R. §200.318 - §200.326. Subrecipient is reminded that the goods and services for the administration of the program and activities pursuant to this Agreement must be properly procured, and those services may include temporary staffing firms and other activities necessary to complete the work and administration of this Program.

E. Contractor and Subrecipient Oversight: Subrecipient must notify NCORR of any agreements it anticipates entering into that will utilize any of the CARES Act funding (CRF and/or CDBG-CV). All subcontracts or subagreements shall contain a provision making them subject to all of the provisions stipulated in this Agreement, including but not limited to 2 C.F.R. 200.303, 2 C.F.R. 200.330-332, 2 C.F.R. 200.501(a), and 2 C.F.R. Part 200 Subpart F. The Subrecipient shall impose the Subrecipient's obligations under this Agreement on its contractors or subrecipients, specifically or by reference, so that such obligations under will binding upon each of Subrecipients contractors and subrecipients. The Subrecipient must comply federal regulations regarding debarred or suspended entities, including 2 C.F.R. § 200, Subpart F. The Subrecipient is responsible to ensure that it has checked the federal System for Awards Management (SAM) (<https://www.sam.gov/portal/SAM>) and the State Debarred Vendors Listing (<http://www.pandc.nc.gov/actions.asp>) to verify that contractors and their subcontractors, or subsequent recipients have not been suspended or debarred from doing business with the Federal or State government. The Subrecipient shall maintain oversight of all activities under this Agreement and shall ensure that for any procured contract or agreement, its contractors and subcontractors perform according to the terms and conditions of the procured contracts or agreements, and the terms and conditions of this agreement.

F. Conflict with Applicable Laws: With respect to any conflict between such federal requirements and the terms of this Agreement and/or the provisions of state law and except as otherwise required under federal law or regulation, the more stringent requirement shall control.

G. Hold Harmless: Subrecipient shall hold harmless, release, and defend NCORR from any and all claims, actions, suits, charges and judgments whatsoever that arise out of the Subrecipient's, or its agents, contractors, and subrecipients', performance or nonperformance of the services or subject matter called for in this Agreement.

H. Indemnity: Subrecipient agrees, to the fullest extent permitted by law, to release, defend, protect, indemnify and hold harmless NCORR and its employees and agents against claims, losses, liabilities, damages, and costs, including reasonable attorney fees, which result from or arise out of: (a) damages or injuries to persons or property caused by the negligent acts or omissions of Subrecipient, its employees, or agents in use or management of CARES Act funding or the Program; and (b) for any claims, whether brought in contract, tort, or otherwise, arising out of this Agreement, if related to Subrecipient's actions or omissions. The obligations under this paragraph are independent of all other rights or obligations set forth herein. This indemnity shall survive the disbursement of the CARES Act funds, as well as any termination of this Agreement.

I. Misrepresentations & Noncompliance: Subrecipient hereby asserts, certifies and reaffirms that all representations and other information contained in Subrecipient's

application, request for funding, or request for reimbursement are true, correct and complete, to the best of Subrecipient's knowledge, as of the date of this Agreement. Subrecipient acknowledges that all such representations and information have been relied on by NCORR to provide the funding under this Agreement. Subrecipient shall promptly notify NCORR, in writing, of the occurrence of any event or any material change in circumstances which would make any Subrecipient representation or information untrue or incorrect or otherwise impair Subrecipient's ability to fulfill Subrecipient's obligations under this Agreement.

J. Debarment / Suspension and Voluntary Exclusion: Noncompliance with federal regulations may result in sanctions, termination of this Agreement for default, and debarment or suspension from future federally assisted contracts.

K. Insurance and Bonding: In compliance with applicable State law and Federal law (2 CFR 200.325 and 200.310), the Subrecipient shall carry sufficient insurance coverage and bonding to protect assets acquired with the use of federal funds to protect from loss due to theft, fraud, and/or undue physical damage.

L. Governing Law: This Agreement shall be interpreted under, and governed by, the laws of the State of North Carolina.

V. AMENDMENTS, SUSPENSION, AND TERMINATION OF AGREEMENT

A. Amendments: This Agreement may be amended at any time by a written instrument signed by both Parties. Such amendments shall not invalidate this Agreement, nor relieve or release either Party from its obligations under this Agreement. NCORR may, unilaterally and in its discretion, amend this Agreement to conform with Federal, state or local governmental guidelines, policies and available funding amounts. If such amendments result in a change in the funding, the scope of services, or schedule of the activities to be undertaken as part of this Agreement, such modifications will be incorporated by written amendment signed by both Parties.

B. Suspension or Termination: NCORR, in its sole and absolute discretion, may terminate this Agreement at any time for convenience. Furthermore, NCORR may suspend or terminate this Agreement if Subrecipient materially fails to comply with any terms of this Agreement, which include (but are not limited to), the following:

- 1) Failure to comply with any of the rules, regulations or provisions referred to herein, or such statutes, regulations, executive orders, and Federal awarding agency guidelines, policies or directives as may become applicable at any time;
- 2) Failure, for any reason, of Subrecipient to fulfill in a timely and proper manner its obligations under this Agreement;
- 3) Ineffective or improper use of funds provided under this Agreement;
- 4) Submission by the Subrecipient to NCORR reports that are incorrect or incomplete in any material respect;
- 5) If any representation or warranty made by the Subrecipient in connection with the federal funds or any information, certificate, statement or report heretofore or hereafter made shall be untrue or misleading in any material respect at the time made; or
- 6) If Subrecipient abandons or otherwise cease to continue to make reasonable progress towards completion of the program, activities or projects as outlined in the Scope of Work.

Upon termination, NCORR retains the right to recover any improper expenditures from the Subrecipient and the Subrecipient shall return to NCORR any improper expenditures no later than 30 days after the date of termination. If Subrecipient defaults, NCORR shall have the power and authority, consistent with statutory authorities: (a) to prevent any impairment of the federally funded activities by any acts which may be unlawful or in violation of this Agreement or any other item or document required hereunder; (b) to compel specific performance of any of Subrecipient's obligations under this Agreement; (c) to obtain return of all federal funds, including equipment if applicable; and (d) to seek damages from any appropriate person or entity. NCORR shall be under no obligation to complete the activities funded by this Agreement.

VI. ADMINISTRATIVE REQUIREMENTS

Subrecipient shall comply with the applicable provisions in 2 C.F.R., Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, except as modified by applicable federal register notices.

A. Financial Management: Subrecipient agrees to comply with and agrees to adhere to appropriate accounting principles and procedures, utilize adequate internal controls, and maintain necessary source documentation for all Eligible Expenses.

B. Duplication of Benefits: Subrecipient shall not carry out any of the activities under this Agreement in a manner that results in a prohibited duplication of benefits as defined by Section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5155) and in accordance with Section 1210 of the Disaster Recovery Reform Act of 2018 (division D of Public Law 115–254; 132 Stat. 3442), which amended section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5155). Subrecipient must prevent duplication of benefits, consistent with CRF and CDBG-CV requirements. Subrecipient shall ensure that in all its activities and procedures under this Agreement, that Subrecipient follow NCORR's Duplication of Benefits policy, as may be amended from time to time.

C. Documentation and Recordkeeping (2 C.F.R. 200.331(a)(5)): NCORR, or any duly authorized representative of NCORR, including, but not limited to North Carolina State Auditor, the North Carolina Office of State Budget and Management, the Comptroller General, the Inspector General and other authorized parties, shall have the right of access to any records, documents, financial statements, papers, or other records of Subrecipient that are pertinent to this Agreement, in order to comply with any audits pertaining to funds allocated to Subrecipient under this Agreement. The right of access also includes timely and reasonable access to Subrecipient's records regarding the Program and Subrecipient's personnel for the purpose of interview and discussion related to such documents. The right of access is not limited to the required retention period but lasts as long as the records are retained. Failure to provide reasonable and timely access to the records required to be maintained as part of this Agreement shall be considered material noncompliance.

D. Record Retention: Subrecipient shall retain sufficient records, which may include, but are not limited to financial records, supporting documents, statistical records, and all other Subrecipient records pertinent to the Agreement to show its compliance with the terms of this Agreement, as well as the compliance of all subcontractors or consultants paid from funds under this Agreement, for a period of five (5) years from the date of submission of the final expenditure report. Subrecipient must maintain any records necessary for fair housing and equal opportunity purposes.

E. Internal Controls (2 C.F.R. 200.303): Subrecipient must comply with 2 C.F.R. 200.303 and establish and maintain effective internal control over the funds allocated under this Agreement and provide reasonable assurance that the Subrecipient is managing the award in compliance with Federal statutes, regulations, and the terms and conditions of the award.

F. Personally Identifiable Information (“PII”) (2 C.F.R. 200.303(e)), Client Data, Public Record Requests: The Subrecipient is required to maintain data demonstrating eligibility for activities provided under this Agreement. Such data may include, but not be limited to, client and tenant name, address, income level or other basis for determining eligibility, and description of activities provided. Subrecipient must comply with 2 C.F.R. 200.303(e) and take reasonable measures to safeguard protected personally identifiable information, as defined in 2 C.F.R. 200.82, and other information the federally awarding agency or NCORR designates as sensitive, or Subrecipient considers sensitive consistent with applicable Federal, State, local, and tribal laws regarding privacy and obligations of confidentiality. All PII must be protected in records produced pursuant to a public records request. To be clear, all data reported or produced pursuant to or related to the Program, including ineligible status applicant information and PII, shall be accessible and made available to NCORR. To the extent that data and information is shared between NCORR and the Subrecipient in an effort to coordinate and manage the Program, the parties will ensure to keep information confidential except that NCORR may utilize the information for reporting purposes. Subrecipient shall coordinate with NCORR whenever a public record request is made regarding the use of funds subject to this Agreement.

VII. PAYMENT AND REPORTING

A. Amount Not to Exceed: It is expressly agreed and understood that the total amount to be paid by NCORR under this Agreement shall not exceed that amount as stated in the section entitled “Subaward Information” (page 1 of this Agreement).

B. Payments and Use of Funds: Payment shall be made to the Subrecipient by NCORR. Payment will be issued to the Subrecipient by the specific milestone dates basis during the term of the Agreement in accordance with the Program Schedule as outlined in Attachment A, Scope of Work. Provisions regarding the budget, program income, payment procedures, refunds, unexpended funds, reduction of funds, and reporting requirements are included in Attachment A, Scope of Work.

VIII. PERFORMANCE MONITORING AND AUDITS

A. Monitoring of Subrecipient: NCORR shall evaluate the Subrecipient’s risk of noncompliance and monitor the activities of Subrecipient as necessary to ensure that the CARES Act funds are used for authorized purposes, in compliance with Federal statutes, regulations, the terms and conditions, and obligations set forth in this Agreement. Monitoring of Subrecipient shall include reviewing invoices for eligible expenses, reviewing payroll logs, applicable contracts/agreements and other documentation that may be requested by NCORR to substantiate eligible expenses. Failure to submit proper documentation verifying eligible expenses may result in termination of this agreement and recoupment of awarded funds from the Subrecipient. Substandard performance as determined by NCORR will constitute noncompliance with this Agreement. If action to correct such substandard performance is not taken by the Subrecipient within a time period specified by NCORR after being notified by NCORR, NCORR may impose additional conditions on the Subrecipient and its use of CARES Act funds consistent with 2 C.F.R. § 200.207, suspend or terminate this Agreement, or initiate other remedies for noncompliance as appropriate and permitted under 2 C.F.R. § 200.338.

B. Audits: NCORR shall verify that Subrecipient is audited as required by 2 C.F.R. Part 200 Subpart F—Audit Requirements. NCORR may take enforcement action against noncompliant Subrecipient as described in 2 C.F.R. 200.338 Remedies for noncompliance of this part and in program regulations. All Subrecipient records with respect to any matters covered by this Agreement shall be made available to NCORR, the Federal awarding agency, and the Comptroller General of the United States or any of their authorized representatives, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be resolved by Subrecipient within 30 days after notice of such deficiencies by the Subrecipient. Failure of Subrecipient to comply with the audit requirements will constitute a violation of this Agreement and may result in the withholding of future payments.

If Subrecipient expends \$750,000 or more in total federal assistance (all programs) in a single year, must have an audit conducted of the CARES Act funding in accordance with 2 C.F.R. Part 200, Subpart F—Audit Requirements. Subrecipient shall submit a copy of that audit to NCORR. Subrecipients who do not meet the Single Audit threshold are required to have a program-specific CRF or CDBG-CV audit conducted in accordance with § 200.507 - Program-Specific Audits and may be required to submit such copy of that audit to NCORR.

Issues arising out of noncompliance identified in a Single or Program-Specific audit are to receive priority status of remediation or possible return of all funds to NCORR.

C. Closeouts: Subrecipient shall close-out its use of funds under this Agreement by complying with the closeout procedures set forth in 2 C.F.R. 200.343 and the procedures described below. Subrecipient's obligation to NCORR will not terminate until all close-out requirements are completed. Activities during this close-out period shall include, but are not limited to: Providing final performance reports; Providing final invoices for payment; Closing any open NCORR monitoring findings; Returning any unused equipment or funds; and, Certifying the funds have been used in accordance with the grant and this agreement. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that Subrecipient has control over funding provided under this Agreement.

IX. PERSONNEL AND CONDUCT

A. Hatch Act: Subrecipient must comply with provisions of the Hatch Act of 1939 (Chapter 15 of Title V of the U.S.C.) limiting the political activities of public employees, as it relates to the programs funded.

B. Conflict of Interest: The Subrecipient shall maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts. No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.

C. Staffing: Subrecipient agrees to provide and allocate Subrecipient personnel that will be assigned to the performance and monitoring of the activities made pursuant to this Agreement. The Subrecipient shall supervise and direct the completion of all activities

under this Agreement with such Subrecipient personnel. Subrecipient shall submit a list of personnel dedicated to the performance and monitoring of this Agreement and the Scope of Work.

X. MISCELLANEOUS PROVISIONS

A. Nonwaiver: No delay, forbearance, waiver, or omission by NCORR to exercise any right, power or remedy upon any event of default shall exhaust or impair any such right, power or remedy or shall be construed to waive any such event of default or to constitute acquiescence therein.

B. Benefit: This Agreement is made and entered into for the sole protection and benefit of NCORR and the Subrecipient, and their respective successors and assigns, subject always to the provisions of the Agreement. Except as herein specifically provided otherwise, this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns. It is expressly understood and agreed that the enforcement of the terms and conditions of this Agreement, and all rights of action relating to such enforcement, shall be strictly reserved to NCORR and the Subrecipient and their respective successors and assigns. Nothing contained in this Agreement shall give or allow any claim or right of action whatsoever by any other third person, other than as expressly provided in this Agreement. It is the express intention of the Parties and their respective successors and assigns that any such person or entity, other than the State, NCORR, and the Subrecipient, receiving services or benefits under this Agreement shall be deemed an incidental beneficiary only.

C. Further Assurance: In connection with and after the disbursement of funds under this Agreement, upon the reasonable request of NCORR, the Subrecipient shall execute, acknowledge and deliver or cause to be delivered all such further documents and assurances, and comply with any other requests as may be reasonably required by NCORR or otherwise appropriate to carry out and effectuate the funds as contemplated by this Agreement. NCORR may require the delivery of documents in hard copy or electronic media.

D. Savings Clause. Invalidation of any one or more of the provisions of this Agreement, or portion thereof, shall in no way affect any of the other provisions hereof and portions thereof which shall remain in full force and effect.

E. Assignment and Subcontracting: No right, liability, obligation or duty under this Agreement may be assigned, delegated or subcontracted, in whole or in part, without the prior written approval of NCORR. The Subrecipient shall bear all liability under this Agreement, even if it is assigned, delegated or subcontracted, in whole or in part, unless NCORR agrees in writing, otherwise.

F. Required Clauses: Each and every provision of law and clause required by law to be inserted in this Agreement shall be deemed to be inserted herein and the Agreement shall be read and enforced as though it were included herein, and if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party the Agreement shall forthwith be physically amended to make such insertion or correction.

XI. CRF SPECIFIC ACKNOWLEDGMENT

Subrecipient acknowledges that Eligible Expenses funded or reimbursed by NCORR to Subrecipient are not considered to be grants but are "other financial assistance" under 2

C.F.R. 200.40. CRF funds are subject to recoupment by the Treasury Department if they have not been used in a manner consistent with section 601(d) of the Social Security Act.

**XI. ATTACHMENTS
AND ENTIRE
AGREEMENT**

Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof. All recitals, exhibits, schedules and other attachments hereto are incorporated herein by reference. Documents that incorporated by reference to this Agreement include the following, which may be amended from time to time, and may be provided to the respective party within a reasonable period of time:

- 1) Rider #1 for CDBG-CV funds
- 2) The Scope of Work (Attachment A)
- 3) List of Subrecipient personnel
- 4) Grantee Action Plan for CDBG-CV funds, as amended
- 5) The NCORR Program Policies, including the Duplication of Benefits Policy and Procedures
- 6) Forms and template letters that may be drafted by NCORR to be implemented as part of the Program
- 7) Certifications to be completed by Subrecipient
- 8) NCORR Billing Guide

IN WITNESS THEREOF, NCORR and Subrecipient have executed this Agreement in duplicate originals, one of which is retained by each of the Parties.

North Carolina Office of Recovery and Resiliency

Signed: _____ Date: _____

Printed
Name: Laura Hogshead Title: NCORR Chief Operating Officer

Subrecipient:

Signed: _____ Date: _____
Subrecipient’s Duly Authorized Agent

Printed
Name: _____ Title: _____

RIDER #1
NCORR CARES Act Funds: CDBG-CV Funds

WHEREAS, the Subrecipient will be awarded as a grant funding CDBG-CV funds to administer the Program; and

WHEREAS, CDBG-CV grant funds are subject to additional federal laws, policies, and conditions as stated herein, and this Rider intends to provide general information as to what those conditions are in a manner supplementing the Subrecipient Agreement; and

WHEREAS, the Scope of Work outlines additional requirements of the CDBG-CV grant funds; and

WHEREAS, the Subrecipient Agreement contains provisions that remain significantly consistent regarding two sources of funds, including, but not limited to, provisions regarding notices, amendments and termination of agreement, and payment and reporting, performance monitoring and audits.

NOW, THEREFORE the parties agree mutually as follows:

1. TERM The Initial Term is applicable to both CRF/CDBG-CV funds. However, subject to written authorization by NCORR, the term of this Agreement and the provisions herein may be extended to cover an additional time period during which Subrecipient remains in control of CDBG-CV Funds, including program income. Any CDBG-CV funds not obligated or expended by December 30, 2020 shall be returned to NCORR.

2. SCOPE OF SERVICE AND WORK A. Public Service Activities (Emergency Rental Assistance and Emergency Utility Payments):
The Subrecipient shall be responsible for administering certain aspects of the Program in a manner satisfactory to NCORR, consistent with this Agreement. The Subrecipient covenants and agrees to use or cause to be used all of the CDBG-CV Funds disbursed in this Agreement in support of such activities and programs as further described in the Scope of Work, Attachment A.

B. Special Conditions (waivers regarding 24 C.F.R. 570.207 and prohibition on income payments): Under the CARES Act, the statutory cap of 15% on public services is removed to allow the use of CDBG funds for emergency assistance in the form of rent and mortgage assistance and utility payments. By way of the Federal Register Notice FR-6218-N-01 waiver, this emergency assistance can be provided for up to six months. Normally, CDBG funds may not be used for income payments, which are not included among eligible activities in section 105(a) of the HCD Act for states, and which are expressly prohibited by 24 CFR 570.207(b)(4) in the Entitlement CDBG regulations. The phrase income payments means a series of subsistence-type grant payments made to an individual or family for items such as food, clothing, housing (rent or mortgage) or utilities, but excludes emergency payments made over a period of up to three consecutive months to the provider of such items or services on behalf of an individual or family. CDBG-CV funds may be used to provide emergency payments for individuals or families impacted by coronavirus for items such as food, clothing, housing (emergency rental assistance or mortgage assistance) or utilities for up to six consecutive months. Emergency payments must be made to the provider of such items or services on behalf of an individual or family, and not directly to an individual or family in the form of income payments, debit cards, or similar direct income payments. Subrecipient must ensure that proper documentation is maintained to ensure all costs are eligible.

C. National Objective: The Subrecipient covenants and agrees that all activities funded with CDBG-CV Funds and carried out under this Agreement will be in direct response to the coronavirus and meet one of the following CDBG program national objectives: 1) benefits low- and moderate- income persons; 2) aids in the prevention or elimination of slums or blight; or 3) meet community development needs having a particular urgency, as defined in 24 C.F.R. 570.208. For the CDBG-CV funds, all activities must benefit low- and moderate-income persons or Urgent Need (as defined and modified by the Federal Register Notice FR-6218-N-01). Low- and moderate-income (LMI) is defined as having an income equal or less than 80% of the area median income (AMI), adjusted for household size, as defined by HUD.

D. Pre-Award Costs for CDBG-CV funds: Should Subrecipient have pre-award costs and would like reimbursement for those costs, Subrecipient must (i) identify those costs as pre-award costs in any request for payment or reimbursement and (ii) provide sufficient document that the costs are eligible pursuant to federal law and this Agreement. Reimbursed costs must comply with all grant requirements, must be costs to prevent, prepare for, or respond to coronavirus, and must not constitute a duplication of benefits.

3. TERMS AND CONDITIONS

In addition to the federal requirements delineated in this Agreement, federal laws requiring compliance by Subrecipient for CDBG-CV funds, and for which Subrecipient is subject to if receiving any CDBG-CV funds, include:

- **HUD requirements, including 24 CFR Part 570, as amended:** The Subrecipient shall comply with all applicable provisions of the Housing and Community Development Act of 1974, as amended, and the regulations at 24 C.F.R., Part 570, as modified by the Federal Register Notices that govern the use of CDBG-CV funds available under this Agreement. The Subrecipient shall also comply with all other applicable federal, state and local laws, regulations, and policies that govern the use of the CDBG-CV funds in complying with its obligations under this Agreement, regardless of whether CDBG-CV funds are made available to the Subrecipient on an advance or reimbursement basis. Notwithstanding the foregoing, (1) the Subrecipient does not assume the grantee's and/or recipient's environmental responsibilities described in 24 CFR 570.604 and (2) the Subrecipient does not assume the grantee's/recipient's responsibility for initiating the review process under the provisions of 24 CFR Part 52.
- **Federal nondiscrimination laws:** 24 CFR Part 1 and 6, Public Law 90-284, Fair Housing Act; Executive Order 13170; 24 CFR Part 107 and 108; Section 504 of the Rehabilitation Act of 1973, 24 CFR Part 40 and 41; Age Discrimination Act of 1975 (42 U.S.C. 6101); 24 CFR Part 7 and 41 CFR Part 60; and State nondiscrimination provisions found at N.C. Gen. Stat. §§ 143-422.1 – 422.3 (Equal Employment Practices); and § 41A-1–10 (NC Fair Housing Act); N.C. Gen. Stat. § 143-128.2. The Subrecipient shall, in all solicitations or advertisements for employees placed by or on behalf of the Subrecipient, state that it is an Equal Opportunity or Affirmative Action employer. Subrecipient shall maintain data on the race, ethnicity, and sex of persons who are applicants for, participants in, or beneficiaries of the activity for fair housing and equal opportunity purposes.
- **Labor and Employment laws:** CDBG-CV grants are subject to the Davis-Bacon prevailing wage requirements imposed by section 110(a) of the HCD Act; 29 CFR Parts 3 and 5; Copeland "Anti-Kickback" Act (18 U.S.C. 874 and 40 U.S.C. 276c); 24 CFR 135 (Section 3). Subrecipient's Section 3 Utilization Plan must be submitted to NCORR. The Subrecipient shall include or cause its contractors or subrecipients receiving

CDBG-DR funds under this Agreement to include, the “Section 3 clause” at 24 CFR 135.38 in every “Section 3 covered contract” (as defined in 24 CFR 135.5); and please note that the U.S. Department of Homeland Security, U.S. Citizenship and Immigration Services provides that the Immigration Reform and Control Act, 8 U.S.C. 1324a et seq. prohibits employers from hiring and employing an individual for employment in the U.S. knowing that the individual is not authorized with respect to such employment.

- **Residential Lead Based Paint Hazard Reduction Act of 1992.**
- **Debarment and Suspension requirements 24 CFR Part 24.**
- **Flood Insurance: National Flood Insurance Act of 1968, 24 CFR Part 55 under Executive Order 11988.**
- **Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970:** The Subrecipient shall comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), 42 U.S.C. §§ 4601 – 4655, 49 C.F.R., part 24, 24 C.F.R., part 42, and 24 C.F.R. § 570.606. In addition to other URA requirements, these regulations implement Section 414 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. § 5181.
- **24 CFR Part 87 and Byrd Anti-Lobbying Amendment (31 USC 1352):** Subrecipient hereby certifies that no Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- **Alien Eligibility:** The Subrecipient shall comply with regulations set forth under the 24 C.F.R. § 570.613 regarding the eligibility requirements of certain resident aliens where applicable.
- **Religious Activities:** The Subrecipient shall comply with all applicable regulations set forth under 24 C.F.R. § 5.109 concerning the participation of faith-based organizations in HUD programs. Funds provided under this agreement shall not be utilized for inherently religious activities, such as worship, religious instruction, or proselytization.
- **Environmental and Historic Preservation:** 24 CFR Part 58; 26 CFR Part 800; Clean Air Act (42 USC 7401) and the Federal Water Pollution Control Act (33 USC 1251 et seq.). Prohibition on Choice Limiting Activities Prior to Environmental Review: The Subrecipient must comply with the limitations in 24 CFR 58.22 even though the Subrecipient is not delegated the requirement under Section 104(g) of the HCD Act for environmental review, decision-making, and action (see 24 CFR part 58) and is not delegated the Grantee’s responsibilities for initiating the review process under the provisions of 24 CFR Part 52. 24 CFR 58.22 imposes limitations on activities pending clearance, and specifically limits commitments of HUD funds or

non-HUD funds by any participant in the development process before completion of the environmental review. A violation of this requirement may result in a prohibition on the use of Federal funds for the activity. The Subrecipient shall also comply with the following environmental compliance requirements, insofar as they apply to the performance of this Agreement: (1) The Clean Air Act (42 U.S.C. § 7401 et seq.) as amended, particularly sections 176(c) and (d) (42 U.S.C. §§ 7506(c) and (d)); (2) Determining Conformity of Federal Actions to State or Federal Implementation Plans (Environmental Protection Agency—40 C.F.R., Parts 6, 51, and 93); and (3) the Federal Water Pollution Control Act, as amended, 33 U.S.C. § 1251 et seq., as amended, including the requirements specified in Sections 114 and 308 of the Federal Water Pollution Control Act, as amended, and all regulations and guidelines issued thereunder. Insofar as it applies to the performance of this Agreement the Subrecipient shall follow Historic Preservation requirements set forth in the National Historic Preservation Act of 1966, as amended, codified in title 54 of the United States Code, and the procedures set forth in 36 C.F.R., Part 800. Guidance on conducting environmental review pursuant to 24 Part 58 for activities undertaken in response to the public health emergency as a result of COVID-19 (CPD-20-07) posted at <https://www.hud.gov/sites/dfiles/OCHCO/documents/2020-07cpdn.pdf>.

- **Housing Counseling:** To the extent that any housing counseling is carried out by the Subrecipient through funds provided under this Agreement, such activities must be carried out in accordance with 24 C.F.R. § 5.111.

Use of Real Property: Subrecipient is not authorized to acquire or improve real property with any federal funds made available pursuant to this Agreement. Therefore, any costs associated with any acquisition or improvement of real property are not eligible for reimbursement.

4. ADMINISTRATIVE REQUIREMENTS

A. Records to be Maintained: Subrecipient must maintain records that would allow NCORR to satisfy the requirements of 24 CFR 570.490 and applicable federal register notices, to the extent the federal register notices may waive or amend certain aspects of 24 CFR 570.490. Subrecipient shall maintain records that NCORR is required to maintain as jointly agreed upon by HUD and NCORR and maintain records sufficient to enable HUD to make the determinations described at 24 CFR 570.493.

B. Record retention: Notwithstanding the term of this agreement, all records the Subrecipient is required to maintain, including supporting documentation, shall be retained for the greater of at least five (5) years from closeout of the Federal award to the Grantee, or the period required by other applicable laws and regulations as described in 24 CFR 570.487 and 24 CFR 570.488.

5. PERSONNEL AND CONDUCT

In all cases not relating to procurements, the Subrecipient shall comply with the conflict of interest provisions in 24 CFR 570.489(h) and State law. Subrecipient shall disclose any potential or actual conflicts of interest before executing this Agreement. Certain limited exceptions to the conflict of interest rules listed in 24 C.F.R. § 570.489 may be granted in writing by NCORR or HUD upon written request and the provision of information specified in 24 C.F.R. § 570.489(h)(4).

Attachment A

Scope of Work

A. Summary

The North Carolina Office of Recovery and Resiliency (NCORR) is charged with administering \$28.3 million of Community Development Block Grant – Coronavirus (CDBG-CV) funds alongside \$66 million of federal Coronavirus Relief Funds (CRF). Both allocations will be used to provide emergency rental assistance and emergency utility payments to prevent evictions and prevent the disconnection of essential utilities. NCORR is distributing funds to subrecipients currently implementing Emergency Solutions Grant - Coronavirus (ESG-CV) rehousing operations to coordinate with potential applicants, guide applicants through the application process, collect, store, and maintain applicant documentation, determine eligibility for service(s), issue grant payments on behalf of an eligible applicant, maintain all records, and submit compliant files for closeout and reimbursement. Subrecipients are expected to adhere to the policies, procedures, and form documentation generated by NCORR.

B. Designated Activities

The Subrecipient shall only perform the activities detailed in this Scope of Work. The activities under this program will be managed by the Subrecipient. If technical assistance is needed, Subrecipient may contact NCORR regarding monitoring, compliance, or any other questions it may have. NCORR may provide Subrecipient with limited technical assistance.

C. National Objective (CDBG-CV):

Activities under this Program must meet the national objective of LMI and Urgent Need (as modified by the Federal Register Notice). Subrecipient certifies that activities carried out under this Agreement will meet the National Objective as outlined in Rider #1 of the Agreement.

D. Geographical Service Area of Activity:

Subrecipient shall serve low-income persons residing in the State of North Carolina, in the particular county of DURHAM COUNTY, NORTH CAROLINA.

E. Levels of Accomplishment – Goals and Performance Measures:

The Subrecipient agrees to provide the following services:

ACTIVITY	SERVICE TYPE	UNITS OF SERVICES	MEASUREMENT
Public Service	Emergency rental and utility assistance	Applications (families assisted)	Subrecipient shall reach application disposition of “award delivered” within 14 calendar days of 80% of all completed applications.

Subrecipient shall deliver payment to beneficiary or on behalf of beneficiary in accordance with NCORR policies. Documentation of payment submittal and delivery shall be uploaded to Subrecipient’s system of record and be made available to NCORR within, and no later than, 14 calendar days of a completed application. NCORR may assess performance according to this requirement once per month for the preceding month and hold Subrecipient to have successfully met this requirement for 80% of the completed applications. NCORR also reserves the right to use tools, data, reports and documentation as available to determine that Subrecipient is reasonably progressing in the completion of applications and awards. Subrecipient is expected to provide adequate diligence and expediency in processing applications, and maintain communication with applicants to assist in furthering incomplete applications.

F. Program Criteria

The program criteria and general program requirements will be further defined and delineated in NCORR’s policies for the Program. Subrecipient must follow the cost incurred limitations imposed by CRF and CDBG-CV funds, including:

- The client’s expense is connected to the COVID-19 emergency.
- The client’s expense is necessary.
- The client’s expense is not filling a short fall in government revenues.

- The client's expense is not funded through another budget line item, allotment or allocation as of March 27, 2020.
- The client's expense would not exist without COVID-19 or would be for a substantially different purpose.

CDBG-CV cost incurred limitations include the above limitations, and in addition:

- The activity is on the federal list of CDBG eligible activities.
- The activity must meet a CDBG national objective (LMI or Urgent Need).
- Use of funds must prevent, prepare for, and respond to the coronavirus.

G. Client Eligibility:

Subrecipient shall ensure that each client is eligible for the source of funding to be distributed to the client. Client eligibility determinations will be further defined in NCORR's policies and shall be made available to Subrecipient. The Subrecipient shall have a complete intake application, which includes information about family income level, family size, residency, and change in employment status due to COVID-19 for reimbursement. This information is entered into Subrecipient's system to enable the Subrecipient to access the data and produce reports specific to client eligibility.

H. Program Timeline

The parties will attempt to mobilize, launch, and operate the program as follows:

- On or about September 1, 2020, the parties will:
 - Execute this Agreement
- On or about September 4, 2020, Subrecipient will:
 - Initiate intake activity
 - Issue first disbursements to eligible beneficiaries and provide services
- Year-end reporting shall commence on or about December 30, 2020
- Final closeout shall occur on or about January 1, 2020

I. Work Performed by Subrecipient

1. Obtain certifications and have processes in place consistent with NCORR's Duplication of Benefits policy to prevent and document duplication of benefits.
2. Ensuring compliance with NCORR's policies to obtain recoupment or repayment of any assistance that is determined to be duplicative.
3. Maintaining an appropriate system to maintain records and to manage beneficiary information and documentation.
4. Submittal of requests for payment and disbursement of funds on behalf of eligible beneficiaries.
5. Accounting and reporting of uses of funds, including, but not limited to information on national objectives met, beneficiary demographics, and application status, in accordance with NCORR policies and at NCORR's request.
6. Reporting and data management, including delivery of ad hoc reports when requested by NCORR or its designee(s).
7. Grant/Subrecipient Agreement closeout.
8. Ensuring adequate staffing levels are available to support program activities funded in whole or in part by funds provided pursuant to this agreement.
9. Human resource management for all staff dedicated in whole or in part to programs funded by funds provided pursuant to this agreement.
10. Translation and interpretation services, ADA services, etc. as necessary to ensure access to and serve beneficiaries.
11. Provide NCORR with any required documentation and information as stated in this Agreement and other documents required pursuant to law. Non-essential information (when requested), such as marketing materials and bulletins, shall also be provided to NCORR.
12. Eligibility determination of beneficiaries in accordance with NCORR policies.
13. Case management.
14. Applicant coordination, particularly with ensuring that each beneficiary is eligible for the applicable funding source (CRF, CDBG-CV, ESG-CV, and other funding sources as applicable).

15. Following NCORR policies and procedures regarding the administration of the Program, as may be amended from time to time.
16. Other duties as requested by NCORR.

J. Budget and Payment Schedule

The Subrecipient shall complete all activities subject to this Agreement and Scope of Work in accordance with the Budget Table below:

	Amount
Activity Delivery Costs available for beneficiaries	\$2,083,381
Activity Delivery Costs available as 15% cap for administrative needs of Subrecipient	\$367,655
Total Budget	\$2,451,036

Disbursement of administrative costs may be provided in the form of upfront working capital at the discretion of NCORR. Upfront capital costs are subject to immediate repayment to NCORR if the Subrecipient fails to meet the minimum performance measures outlined herein.

Subrecipient shall notify NCORR immediately when Subrecipient reaches eighty percent (80%) of its total budget.

CDBG-CV: For the purposes of administering both funding sources (CRF and CDBG-CV), all costs are determined to be activity delivery costs (ADCs). ADCs are those allowable costs incurred for implementing and carrying out eligible CDBG activities. All ADCs are allocable to a CDBG activity, including direct and indirect costs integral to the delivery of the final CDBG-assisted activity. Of the budget allotted to the Subrecipient, NCORR is placing a 15% cap for Subrecipient's administrative costs to administer the Program, such as staffing and overhead needs.

K. Payment Information and Procedures:

NCORR will provide the Subrecipient the NCORR Billing Guide which will provide the payment information and payment procedures for reimbursement and, if applicable, certain advances eligible for payment. NCORR will pay to the Subrecipient funds available under this Agreement based upon information submitted by the Subrecipient and consistent with the allocations and disbursement policies established by NCORR. With the exception of certain advances, payments will be made for eligible expenses actually incurred by the Subrecipient. Subrecipients should maintain a financial file with copies of back-up documentation for all paid eligible expenditures made by the Subrecipient during the eligible period. Documentation of expenditures will be reviewed and verified upon receipt by NCORR.

Subrecipient will be required to periodically report to NCORR additional information to substantiate the eligible expenses. Reimbursement or payments to Subrecipient are conditional on complete, accurate, and allowable reports. This includes time and effort reporting. PAYMENT MECHANISMS AND PROCEDURES ARE SUBJECT TO CHANGE. Subrecipient will be notified immediately if a new payment request procedure is established by NCORR and its partners for reimbursement or payments subject to this Agreement. The notices regarding payment procedures will be sent to Subrecipient electronically and by U.S. postal mail and shall be effective immediately. Any changes to NCORR's payment mechanisms and procedures shall automatically be incorporated by reference to this Agreement.

L. Reporting

Reporting shall be required to document how funding was used for eligible expenses. Such reporting may include documentation of payroll logs, proof of contracts/agreements, and beneficiary information. Subrecipient will also be subject to time and effort reporting; time and effort reporting templates may be provided to Subrecipient. Further, the Subrecipient shall report regular performance metrics to NCORR that are necessary to comply with NCORR's reporting requirements, including those metrics as necessary for the NCORR's Quarterly Progress Report submitted to HUD. NCORR will provide reporting templates and schedules to the Subrecipient if requested by Subrecipient. NCORR will provide a

complete list of required data and metrics that must be included in the reports within a reasonable time from the execution of this Agreement, those reports and lists which may be amended from time to time. NCORR, at its discretion, may provide limited technical assistance of the Subrecipient on topics relating to the Scope of Work objectives.

M. Use of Funds

NCORR is committing a maximum of the amount as stated in the section entitled “Subaward Information.” The Subrecipient shall ensure that CARES Act funds obtained pursuant to this Agreement are not commingled with any other funds received from other programs and will allow NCORR access to monitor the bank accounts where funds are allocated to Subrecipient. To be clear, CDBG-CV funds must be kept separate from CRF funds, and those same funds must be kept separate from other CARES Act funding (such as ESG-CV funds).

Eligible Use of Funds: Eligible expenses are subject to approval by NCORR and are contingent on allowability under the respective funding sources. Eligible expenses are those incurred for response and recovery activities as a result of a declared emergency. NCORR will review all expenses submitted for reimbursement. Reimbursement shall only be made for eligible expenses that are directly tied to response and recovery activities related to COVID-19. Expenses must be allowable pursuant to the Federal agency award requirements. Subrecipient understands any award of funds pursuant to this agreement must adhere to official federal guidance issued or to be issued on what constitutes a necessary expenditure and that the subrecipient has reviewed the guidance established by U.S. Department of the Treasury and the U.S. Department of Housing and Urban Development and certify costs meet the required guidance. Any funds expended by the subrecipient or its subcontractor(s)/subrecipient(s) in any manner that does not adhere to official federal guidance shall be returned to NCORR.

Utility Assistance: The utility assistance provided pursuant to this Agreement to prevent utility disconnections is solely for the benefit of the beneficiaries eligible for the Program and in response to the COVID-19 crisis. In the administration of the Program, the parties agree and certify that utility assistance payments will not be provided in violation of CDBG-CV and CRF requirements, including that no funds provided under this Agreement may be used to assist a privately owned utility through an arms-length transaction for any purpose and that no funds under this Agreement may be used to cover lost government revenue.

CDBG-CV Program Income: By way of the agreed upon eligible activities, the Parties do not anticipate that Subrecipient will incur program income. However, if Subrecipient intends to generate program income with CDBG-CV funds, Subrecipient must first obtain authorization from NCORR. If authorized by NCORR, Subrecipient shall report all program income—and as may be modified by applicable federal register notices for CDBG-CV funds and NCORR policies—generated by activities carried out with CDBG-CV funds made available under this Agreement.

Obligations Regarding Unused, Unearned, Unexpended Funds: The Subrecipient shall repay to NCORR or its designee any compensation it has received that exceeds the payment to which it is entitled herein, including any interest earned on funds reimbursed pursuant to the Agreement. Any unexpended funds shall revert to NCORR or its designee upon termination of the Agreement. If the Subrecipient has any funds on hand or accounts receivable attributable to the use of funds at the time of termination, the Subrecipient shall transfer such funds and accounts receivable to NCORR or its designee. NCORR may reduce the fund amount if the Subrecipient expects that actual expenses will be less than budgeted. A copy of the budget amendment will be kept by NCORR. In the sole discretion of NCORR, NCORR may recapture from the Subrecipient any amount of funds or assistance improperly expended, either deliberately or non-deliberately, by any person or entity. Additionally, a contract for administrative services should include a clause holding the administering organization responsible for reimbursement to the Subrecipient for any improperly expended funds or assistance, due to the actions or omissions of the administering organization that had to be returned to NCORR. When project costs are less than the funding amount, excess funds shall be deobligated back to NCORR.

N. Program Fraud & False or Fraudulent Statements or Related Acts:

Fraudulent acts, by either the Subrecipient or beneficiary, may be reported in accordance with NCORR’s policies.

O. Complaints and Appeals:

NCORR is developing a complaints and appeals process for beneficiaries initially denied funds. The process will be outlined in NCORR's policies. The Subrecipient must inform NCORR regarding any complaints received regarding the CDBG-CV and CRF funds made available pursuant to this Agreement.