

Interlocal Agreement Between the County of Dare
And the Town of Nags Head
For Management of Funds from the Coronavirus Relief Fund (CRF)
Established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act

THIS INTERLOCAL AGREEMENT, made and entered into pursuant to Article 20 of Chapter 160A of the North Carolina General Statutes this ___ day of ____ 2020, by and between the County of Dare, a body politic and corporate organized and existing under the laws of the state of North Carolina (hereinafter referred to as “County”) and the Town of Nags Head, a North Carolina Municipal Corporation organized and existing under the laws of the state of North Carolina (hereinafter referred to as “Municipality”);

WHEREAS, the Coronavirus Aid, Relief, and Economic Security (CARES) Act (P.L. 116-136) established the Coronavirus Relief Fund (CRF); and

WHEREAS, the State of North Carolina received approximately \$4.067 billion in CRF funds, including approximately \$481,000,000, which the U.S. Treasury sent directly to four local governments in the State; and

WHEREAS, S.L. 2020-80 allocates \$300 million of the State of North Carolina’s CRF allocation to counties ineligible to receive direct funding from the federal CRF; and

WHEREAS, S.L. 2020-80 directs the recipient County to allocate at least 25 percent of the funds for use by municipalities within the County for necessary expenditures incurred due to the public health emergency as required by section 601(d) of the Social Security Act, as amended by the CARES Act; and

WHEREAS, S.L. 2020-80 requires the recipient County to determine the total amount allocated to each municipality within the County, and requires each municipality that receives funds to develop a plan to spend the funds by September 1, 2020, or the County can use those funds or redistribute to other municipalities; and

WHEREAS, S.L. 2020-80 makes the CRF allocations subject to recoupment by the U.S. Treasury if they are not used in an eligible manner according to the most recently published U.S. Treasury Department guidance for CRF; and

WHEREAS, S.L. 2020-80 states counties and municipalities are liable to the State for any misuse or mishandling of the funds, and subject to clawback and other appropriate measures, including the reduction or elimination of other State Funds; and

WHEREAS, S.L. 2020-80 states any local government officer, official, or employee will be subject to a civil action by the State and held personally liable for reimbursement for violating the requirements of the CRF allocation; and

WHEREAS, S.L. 2020-80 and the North Carolina Pandemic Recovery Office have structured the administration of the CRF allocation to require the County to administer the allocation to municipalities and submit expenditure plans to the State; and

WHEREAS, the North Carolina Pandemic Recovery Office has advised that municipalities shall be directly liable to the State for violating the requirements of the CRF allocation; and

WHEREAS, the County's CRF allocation is \$1,570,418; and

WHEREAS, the Municipality's CRF allocation is \$108,594. [*This includes the amount of \$31,636, which was previously shared with the Municipality.*]

NOW, THEREFORE, it is agreed as follows:

1. Dare County shall allocate to the Municipality \$108,594 for expenditures as specified in the Municipality's plan, due Sept. 1, 2020. As stated in S.L. 2020-80, U.S. Treasury Guidance, and N.C. Pandemic Recovery Office guidance, the county is administering the local government CRF allocation. Counties and municipalities are liable to the State for any misuse or mishandling of the funds allocated to each entity, and subject to clawback and other appropriate measures, including the reduction or elimination of State Funds.
2. Municipality agrees to expend funds allocated pursuant to this Agreement in compliance with the Coronavirus Aid, Relief, and Economic Security (CARES) Act (P.L. 116-136), S.L. 2020-80, U.S. Treasury Department Guidance, and NC Pandemic Recovery Office guidance. Any funds allocated by the County to the Municipality that are found to be expended in violation of all applicable laws and guidance shall be repaid by the Municipality to the State of North Carolina. The County assumes no liability for any violations of CRF expenditure requirements by the Municipality, its officers, agents, or employees, for funds allocated by the County to the Municipality and holds the County harmless from same. The Municipality shall maintain documentation of their expenditures to ensure compliance with reporting and auditing requirements.
3. In accordance with guidance from the U.S. Treasury Department, CRF payments are federal financial assistance subject to Single Audit requirements found in Uniform Guidance 2 CFR §200 Subpart F. CRF is a federal program with a CFDA No. 21.019. The U.S.

Treasury Department is the federal granting agency and, except for the four local governments that received CRF directly, the Office of State Management and Budget (OSBM) is the State pass-through entity. The Uniform Guidance CFR §200 Subparts B, C, D, and E do not apply, except for §200.303 and §§ 200.330 through 200.332.

4. In order to comply with State reporting requirements required pursuant to S.L. 2020-80, the Municipality shall submit its CRF Plan to the County by 8/24/2020. Municipality acknowledges that failure to submit its CRF Plan to the County by this date shall result in the loss of funding provided for in this Agreement. If the County has already transmitted funds to the Municipality and the Municipality fails to submit its CRF Plan to the County by the date provided for in this paragraph, the Municipality shall return the funds to the County.
5. In order to comply with monthly State reporting requirements on use of the funds, Municipality shall submit the required forms to the County by the 15th of each month for the County to upload to the State portal (Attachments C-1 and C-2). Following receipt of the monthly reports and substantiation for the amount requested for reimbursement, as required by OSBM, the County shall reimburse the Municipality for the funds expended. Municipality shall complete the July 20 report, for expenditures through June 30, as soon as possible.
6. A Final Report (Attachment F) will be required when the Municipality's allocation is fully spent or by November 20th, whichever is earlier. It is the County's intent to reallocate any unspent funds by December 1st to other eligible CRF expenses to fully utilize all CRF funds for the community.
7. Modifications to this Agreement shall be in writing, signed, duly executed by the parties hereto, and kept on file along with the original Agreement.
8. Any notice permitted or required under this Agreement from one party to the other must be in writing and will be effective (a) on the date it was actually delivered to the addressee if delivered personally, or sent by a nationally recognized courier (such as FedEx or United Parcel Service) or sent by facsimile, or (b) three days after having been deposited in the United States mail, if sent by certified mail, return receipt request, in each case to the respective addresses of Municipality and the County listed below, or those other addresses of which either party gives the other party written notice:

If to the Municipality, to: 5401 South Croatan Highway
Nags Head, NC 27949

If to the County, to: P.O. Box 1000, Manteo, NC 27954

9. The parties agree that the terms and provisions of this Agreement shall be construed in accordance with the laws of the State of North Carolina. This Agreement contains the entire agreement between the parties.

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

Town of Nags Head

County of Dare

By _____
Title: _____

By _____
Title: _____

Municipality: This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

County: This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.
