

10.691

GOOD NEIGHBOR AUTHORITY

State Project/Program: COVE CREEK- GOOD NEIGHBOR AGREEMENT

United States Department of Agriculture
Forest Service

Federal Authorization: 18-GN-11081117-009

State Authorization:

**North Carolina Dept. of Agriculture and Consumer Services
Division of Soil & Water Conservation**

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The auditor should not consider the Supplement to be “safe harbor” for identifying audit procedures to apply in a particular engagement, but the auditor should be prepared to justify departures from the suggested procedures. The auditor can consider the supplement a “safe harbor” for identification of compliance requirements to be tested if the auditor performs reasonable procedures to ensure that the requirements in the Supplement are current.

The grantor agency may elect to review audit working papers to determine that audit tests are adequate.

Auditors may request documentation of monitoring visits by the State Agencies.

This compliance supplement must be used in conjunction with the OMB 2021 Compliance Supplement which will be issued in the summer. This includes “Part 3 - Compliance Requirements,” for the types that apply, “Part 6 - Internal Control,” and “Part 4 - Agency Program” requirements if the Agency issued guidance for a specific program. The OMB Compliance Supplement is Section A of the State Compliance Supplement.

I. PROGRAM OBJECTIVES

The purpose of this project is to improve water quality and promote ecological uplift of native and wild trout and associated species in the cold water environment of the Davidson River Watershed, Cove Creek and adjacent tributaries thereby helping to ensure for the long-term cold, clean water downstream for all users. The project will include design for the construction of the bottomless culvert and minimal realignment of the approach roadways, and erosion control measures as necessary to minimize sediment loading to Davidson River - Cove Creek.

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II. PROGRAM PROCEDURES

Cove Creek Aquatic Organism Passage Project procedures include:

1. Data collection at the project site including but not limited to surveying, soils investigation and stream channel assessment. These tasks are conducted by the USFS, NCDA&CS and the Transylvania County Soil and Water Conservation District (SWCD).
2. Development of engineering drawings, construction specifications and material specifications for a bottomless arch culvert by NCDA&CS and USFS personnel.
3. Project administration by Transylvania County Finance Department. Tasks include:
 - a. determining required bidder qualifications
 - b. preparation of an Invitation for Bids (IFB)
 - c. advertising bidding opportunity
 - d. conducting a mandatory pre-bid meeting
 - e. responding to bidder questions
 - f. reviewing bid submissions
 - g. awarding the project to the lowest, qualified bidder
 - h. contracting the construction of the project
 - i. disbursing funds to the contractor
4. Supervision throughout construction by NCDA&CS and Transylvania County SWCD for quality control and conformance to engineering drawings and project specifications.
5. Certification of construction by NCDA&CS in consultation with USFS. The certification letter will be sent to Transylvania County Finance Department recommending payment to contractor.
6. Monitoring of the project will be done annually and after each major rain event by USFS and Transylvania County SWCD personnel.

III. COMPLIANCE REQUIREMENTS

Noted below in the following matrix are the types of compliance requirements that are applicable to the federal program. These Types are determined by the federal agency, noted as "Y," on the "Matrix of Compliance Requirements" located in Part 2 of the OMB 2020 Compliance Supplement; however, the State Agency may have added the Type and this is noted by "Y." If the State determines that the federal requirement does not apply at the local level or if the State modifies the federal requirements, this is noted in the supplement under the type of compliance requirement. If the federal and/or State agencies have determined that the type is not applicable, it is noted by "N."

If the Matrix indicates "Y," the auditor must determine if a particular type of compliance requirement has a direct and material effect on the federal program for the auditee. For each such compliance requirement subject to the audit, the auditor must use the OMB 2020 Compliance Supplement, Part 3 (which includes generic details about each compliance requirement other than Special Tests and Provisions) and Part 4 (which includes any program-specific requirements) to perform the audit.

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If there is no program listed on the “Matrix” in Part 2 or Part 4, the State has determined the Type that is applicable. If a Type is determined direct and material, the auditor should refer to the requirements found in Part 3 and listed in this supplement.

A	B	C	E	F	G	H	I	J	L	M	N
Activities Allowed or Unallowed	Allowable Costs/ Cost Principles	Cash Management	Eligibility	Equipment/ Real Property Management	Matching, Level of Effort, Earmarking	Period Of Performance	Procurement Suspension & Debarment	Program Income	Reporting	Subrecipient Monitoring	Special Tests and Provisions
N	Y	Y	N	N	N	Y	N	N	Y	Y	N

A. Activities Allowed or Unallowed

N/A

B. Allowable Costs/Cost Principles

The Grantee assures that funds received pursuant to this Contract shall be used only to supplement, not to supplant, the total amount of federal, State and local public funds that the Grantee otherwise expends for activities involved with specialty services and related programs. Funds received under this Contract shall be used to provide additional public funding for such services. The funds shall not be used to reduce the Grantee's total expenditure of other public funds for such services.

C. Cash Management

As specified in the grant agreement all payments will be made only after contracted work has been completed and approved by a representative of the Division. All invoices must be accompanied by invoices from subcontractors or actual expenses for work completed by the district.

E. Eligibility

N/A

F. Equipment and Real Property Management

N/A

G. Matching, Level of Effort, Earmarking

N/A

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H. Period of Performance

January 1, 2019- June 30, 2022

I. Procurement and Suspension and Debarment

N/A

J. Program Income

N/A

L. Reporting

- a) The Grantee shall submit quarterly progress reports, with each report due on or before the last day of March 31, June, 30, September 30, December 31, continuing until the project is complete and final project report is approved. The quarterly progress report is required even if no activity has occurred for the quarter and no reimbursement is requested for the quarter.
- b) Grantee shall submit a Final Financial report and Final Invoice not later than 30 days after the expiration or termination of this Contract.

M. Subrecipient Monitoring

Grantee to monitor subrecipient activities. Division will spot-inspect completed work prior to submission of each invoice.

N. Special Tests and Provisions

N/A