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**STREAM DEBRIS REMOVAL - DISASTER RECOVERY ACT OF 2016**

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**State Authorization: S.L. 2016-124; S.L. 2017-119**

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

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**Agency Contact Person - Program**

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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.

**I. PROGRAM OBJECTIVES**

The Division of Soil and Water Conservation is contracting grants to local units of government (soil and water conservation districts, counties, municipalities, and drainage districts) to remove woody vegetation from streams that was deposited by Hurricane Matthew and Tropical Storms Hermine and Julia in 2016. The recipients are completing the work specified in the contracts by contracting with private firms or using in-house resources.

**II. PROGRAM PROCEDURES**

- 1) Division created an online application and invited local sponsors (government agencies, NGOs) to submit applications, breaking requests into 4 categories
  - a) Vegetative Debris Removal
  - b) Vegetative Debris Removal with removal of instream sediment
  - c) Removal of Vegetative Debris and In-Stream Sediment with Streambank Stabilization
  - d) Other Stream Debris Removal activities
- 2) Division held four batching periods. (Third batching period opened in response to S.L. 2017-119)
- 3) Following each batching period, funds were allocated among the eligible applicants.
- 4) The Department entered into a contract with each local sponsor who uses its own processes to hire subcontractors to complete the activities in the Scope of Work.

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- 5) Local sponsor completes work and a division employee conducts a site visit and signs off on the work completed prior to the local sponsor submitting invoice.
- 6) Invoice form includes a listing of work completed for the specific stream segments shown on the scope of work.
- 7) Local sponsor must include with the invoice suitable documentation for match.
- 8) Division reviews the invoice and supporting documentation and submits the invoice for payment.

**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 State agency noted by "Y."

If the Matrix indicates "Y," the auditor must determine if a particular type of compliance requirement has a direct and material effect on the State program for the auditee.

1	2	3	4	5	6	7	8	9	10	12	13	14
Activities Allowed or Unallowed	Allowable Costs/Cost Principles	Cash Management	Conflict of Interest	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
Y	Y	Y	Y	Y	Y	Y	Y	N	N	Y	N	N

1. Activities Allowed or Unallowed

Removal of vegetative debris and accumulated sediment, stabilization and restoration of streambanks, repair of stream channel crossings; specific stream segments and activities for each segment will be listed in the Contract Scope of Work.

2. Allowable Costs/Cost Principles

Direct costs are allowed along with actual administrative expenses not to exceed 12% of total awarded funds.

3. Cash Management

As specified in the grant agreement with each participating sponsor, all payments will be made only after contracted work for an individual segment 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 local sponsor directly.

4. Conflict of Interest

Grantees that are government entities are exempt from N.C.G.S. § 143C-6-23(b).

Grantees that are a non-governmental organization are subject to N.C.G.S. § 143C-6-23(b) and must file with the Agency a copy of Grantee's policy addressing conflicts of interest that may arise involving the Grantee's management employees and the members of its board of directors or other governing body. The policy shall address situations in which any of these individuals may directly or indirectly benefit, except as the Grantee's employees or members of its board or other governing body, from the Grantee's disbursing of State funds and shall include actions to be taken by the Grantee or the individual, or both to avoid conflicts of interest and the appearance of impropriety. The Grantee is required to file a Conflict of Interest Policy with the Agency prior to disbursement of funds.

5. Eligibility

Entities eligible to receive grants include and are limited to:

- Local government units such as soil and water conservation districts, county offices and municipalities
- Local drainage districts
- Non-Profit Organizations

6. Equipment and Real Property Management

Grantees may acquire equipment and supplies specifically needed to implement the requirements of the scope of work.

7. Matching, Level of Effort, Earmarking

There is no specific matching requirement, but grant applications that include cash or in-kind match contributions may qualify for higher funding levels than applicants that do not commit to provide match. Grant projects may also be supported by cash or in-kind contributions. This includes personnel, equipment, or travel that is directly associated with the implementation and completion of the project.

8. Period of Availability of State Funds

Contracts shall generally be for no more than three years.

9. Procurement and Suspension and Debarment

N/A

10. Program Income

N/A

12. Reporting

- a) The Grantee shall submit quarterly progress reports, with each report due on or before the last day of April, July, October, and January, 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) The quarterly and final report shall include a narrative summary of the work completed each quarter and for the project to date and a summary of cash and in-kind expenditures for the quarter and total project.
- c) Grantee shall submit a Final Financial report and Final Invoice not later than 60 days after the expiration or termination of this Contract.

13. Subrecipient Monitoring

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

14. Special Tests and Provisions

N/A