

**CONTRACT ROUTING FORM**

1. Complete the information below BEFORE printing and completing items 2 through 7. Items in red are required.

Department: Soil and Water Conservation District  
Department contract file name (use effective date): ADFP\_SWCD\_20241001  
Project Code: Click here to enter text.  
Contract type: Contract  
Contracted Services/Goods: Farmland Preservation Outreach &

Programming

Contract Component: Master  
Change Order Number/Addendum Number: Click here to enter text.  
Vendor Name: N.C. ADFP  
Effective Date: 10.01.2024  
Approved by: County Manager  
Date approved by the BOC: Click here to enter text.  
Ending Date: Click here to enter a date.  
Total Amount: \$7,375

Please Return Contract to:  
Name: Andrew Waters  
Email: Andrew.waters@chathamcountync.gov  
Special Instructions for Clerks  
Office:

2. Department Head or his/her designee has read the contract in its entirety.  
By: [Signature] (Department Head signature required)

3. County Attorney has reviewed and approved the contract   
County Attorney has reviewed and rejects the contract  Reason: \_\_\_\_\_

This is an automatic renewal and does not require approval from the County Attorney: Yes  No

If this box is checked the County Attorney's Office has reviewed the contract but has not made needed changes to protect the County because the contract is a sole source contract and the services required by the County are not available from another vendor.

4. Technical/MIS Advisor has reviewed the contract if applicable. Yes  No

5. Vendor has signed the contract. Yes  No

6. A budget amendment is necessary before approval. Yes  No   
If budget amendment is necessary, please attach to this form.

7. Approval

- Requires approval by the BOC - contracts over \$100,000.00. Follow Board submission guidelines.
- Requires approval by the Manager – contracts \$100,000 or less.

8. Submit to Clerk.

**Clerk's Office Only**

Finance Officer has signed the contract  
 The Finance Officer is not required to sign the contract

## Andrew Waters

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**From:** Ann Hammack  
**Sent:** Thursday, November 7, 2024 11:47 AM  
**To:** Andrew Waters  
**Subject:** Chatham County Farmland Preservation  
**Attachments:** 25-027-4001 Chatham SWCD Chatham FPP IP OFFER.pdf

Andrew,

Bob has approved the attached.

### Ann Hammack

County Paralegal  
Chatham County Government  
County Manager's Office  
Email: [Ann.Hammack@chathamcountync.gov](mailto:Ann.Hammack@chathamcountync.gov)  
919-545-8308 (Phone) | 919-542-8272 (Fax)  
Chathamcountync.gov  
12 East Street | P.O. Box 1809  
Pittsboro, NC 27312

*In keeping with the NC Public Records Law, e-mails, including attachments, may be released to others upon request for inspection and copying.*



Steve Troxler  
Commissioner

North Carolina Department of Agriculture  
and Consumer Services

N. David Smith  
Chief Deputy Commissioner

November 4, 2024

Andrew Waters, Farmland Preservation Coordinator  
Chatham Soil and Water Conservation District  
1192 US 64 W Business, Suite 200  
Pittsboro, NC 27312

**NOTIFICATION OF FUNDING OFFER**

Dear Andrew:

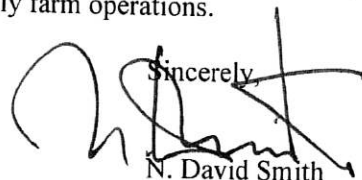
On behalf of Commissioner Steve Troxler and the North Carolina Department of Agriculture and Consumer Services - Farmland Preservation Division, I am pleased to inform you that **\$7,375.00** for your project, **Chatham County Farmland Preservation Plan Implementation Project**, was approved under the Agricultural Development and Farmland Preservation Trust Fund.

The original contract packet must be completed and returned to the NCDA&CS, making sure that the contracts and certain forms have been signed, dated, and witnessed. Since this is a witness contract, there are two (2) options to complete the contract. It is acceptable to have everyone sign the contract and submit the scanned copy electronically, or to complete electronic signature documents as provided by ADFP Trust Fund staff at the signatory's request. To return a hand-signed and scanned contract packet, or to request a digital/electronic signature contract packet, email ADFP Trust Fund Grant Specialist Kelsey Pearce at [kelsey.pearce@ncagr.gov](mailto:kelsey.pearce@ncagr.gov).

By completing these documents, you are agreeing to the specific stipulations, the general terms and conditions and specific reporting requirements. For hand signatures, all authorized representative signatures must be in **blue or black** ink. Please use the Contract Check Off List to ensure all attachments are included and are in the correct order for each contract packet.

One fully-executed, original contract will be returned to you for your records. If you have any questions about your contract or any of the forms contained in your offer packet, please call Corey Hoilman at 919-707-3069, or feel free to send an email to [corey.hoilman@ncagr.gov](mailto:corey.hoilman@ncagr.gov).

I would like to take this opportunity to thank you for participating in the ADFP Trust Fund to conserve North Carolina's farmland and family farm operations.

Sincerely,  


N. David Smith  
Chief Deputy Commissioner

Enclosures



**NORTH CAROLINA DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES**

Steven W. Troxler, Commissioner

**Contract Check Off List for Grantee (Government State/Other Funded)**

**INSTRUCTIONS:** Check the "Yes" boxes in the left column for the document titles that are being returned with the two signed, dated and witnessed copies of the contract, with signatures in blue ink. Be sure to include all the other documents specified in your contract package. If "No" has been checked off for you, that document is not required for this grant program or project.

**GRANTEE ORGANIZATION NAME:** Chatham Soil and Water Conservation District

**PROJECT TITLE/NAME:** Chatham County Farmland Preservation Plan Implementation Project

**CONTRACT #:** 25-027-4001

**TRACKING #:** ADFP-17-021-CHA

<i>GO Entities Only Check One Box</i>			<i>Document Title</i>	<i>Department Use – Documents Attached or On File</i>		<i>Grants and Contracts- Documents Attached or On File</i>	
Yes	No			Yes	No	Yes	No
			Contractual Check Off List for Grantee				
			Contract Cover (To be signed, dated & witnessed)				
			Scope of Work (includes Timeline and Line Item Budget)				
			Terms and Conditions				

STATE OF NORTH CAROLINA  
COUNTY OF WAKE



Departmental Use Only

AGENCY: 1000  
ACCOUNT: 601450-56400008-  
1001014-0000000-2024-000000-  
0000000000-0000-000000-0000  
AMOUNT: \$7,375.00  
TIME PERIOD: 10/1/2024 - 9/30/2026

North Carolina Department of Agriculture and Consumer Services  
Farmland Preservation Division

Agricultural Development and Farmland Preservation Trust Fund – Government

CONTRACT #: 25-027-4001  
ADFP TRACKING #: ADFP-17-021-CHA

This Contract is hereby entered into by and between the **North Carolina Department of Agriculture and Consumer Services, Farmland Preservation Division**, (the "Agency") and **Chatham Soil and Water Conservation District**, ("Grantee"), and referred to collectively as the "Parties." The Grantee's federal tax identification number is 56-6000284, UEI number is KE57QE2GV5F1, is physically located in Chatham County (District 4), and is further located at 1192 US Hwy 64 W. Business, Suite 200, Pittsboro, NC 27312.

The purpose of this Contract is to encourage the preservation of qualifying farmland and to foster the growth, development, and sustainability of family farms. The Grantee's project title is **Chatham County Farmland Preservation Plan Implementation Project**. This Contract is funded by State appropriations. Funds awarded under this Contract must be used for the purposes for which they are intended.

The Grantee's fiscal year ends 6/30.

**Contract Documents:**

This Contract consists of the Grant Contract and its attachments, all of which are identified by name as follows:

1. This Contract
2. Scope of Work, including Timeline, Line-Item Budget, and Budget Narrative
3. Terms and Conditions

These documents constitute the entire agreement between the Parties and supersede all prior oral or written statements or agreements.

**I. Precedence Among Contract Documents:**

In the event of a conflict between or among the terms of the Contract Documents, the terms in the Contract Document with the highest relative precedence shall prevail. The order of precedence shall be the order of documents as listed in Paragraph 1, above, with the first-listed document having the highest precedence and the last-listed document having the lowest precedence. If there are multiple Contract Amendments, the most recent amendment shall have the highest precedence and the oldest amendment shall have the lowest precedence.

**II. Effective Period:**

This Contract shall be effective on Oct. 1, 2024 and shall terminate on Sept. 30, 2026 with the option to extend, if mutually agreed upon, through a written amendment as provided for in the General Terms and Conditions as described in Attachment A. Per the *Agricultural Development Project and Agricultural Plan Contract Grantee Duties and Reporting Requirements* in the attached Scope of Work, a request for an amendment must be submitted to the Farmland Preservation Director 60 days before the end of the contract.

In accordance with 09 NCAC 03M .0703(4) all Parties agree to maintain, physical or digital, copies of all pertinent records for a period of five (5) years or until all audit expectations have been resolved, whichever is longer.

**III. Grantee's Duties:**

The Grantee shall provide the services as described in the attached Scope of Work.

**IV. Agency's Duties:**

The Agency shall pay the Grantee in the manner and in the amounts specified in the Contract Documents. The total amount paid by the Agency to the Grantee under this Contract shall not exceed \$7,375.00.

This amount consists of \$7,375.00 in State funds.

a. The Grantee's matching requirement is \$1,106.25, which consists of:

	In Kind	\$
	Cash	\$
	Other – Cash and In Kind:	\$1,106.25

b. The Grantee has committed to apply for an additional \_\_\_\_\_ to complete the project as described in the Scope of Work.

The total Contract amount with matching funds is \$8,481.25.

**V. Conflict of Interest Policy:**

The Agency has determined that the Grantee is a government agency and is not subject to N.C.G.S. § 143C-6-23(b). Therefore, the Grantee is not required to file a Conflict-of-Interest Policy with the Agency prior to disbursement of funds.

**VI. Statement of No Overdue Tax Debts:**

The Agency has determined that Grantee is a government agency and is not subject to N.C.G.S. § 143C-6-23(c). Therefore, the Grantee is not required to file a Statement of No Overdue Tax Debts with the Agency prior to disbursement of funds.

**VII. Reversion of Unexpended Funds:**

Any unexpended grant funds shall revert to the Agency upon termination of this Contract.

**VIII. Reporting Requirements:**

The grantee shall provide the Agency with progress reports, both financial and programmatic. The following is based upon the Agency contract with the grantee being two years in time.

For grant awards of less than \$250,000, reports are due semi-annually. Refer to the table below for the reporting period and due dates for progress and budget reports:

<b>Contract Year</b>	<b>Reporting Period</b>	<b>Report Due Dates</b>
Year 1	October 1 – March 31	April 10
Year 1	April 1 – September 30	October 10
Year 2	October 1 – March 31	April 10
Year 2	April 1 – September 30	October 10

For grant awards of \$250,000 or more, reports are due quarterly. Refer to the table below for the reporting period and due dates for progress and budget reports:

<b>Contract Year</b>	<b>Reporting Period</b>	<b>Report Due Dates</b>
Year 1	October 1 – December 31	January 10
Year 1	January 1 – March 31	April 10
Year 1	April 1 – June 30	July 10
Year 1	July 1 – September 30	October 10
Year 2	October 1 – December 31	January 10
Year 2	January 1 – March 31	April 10
Year 2	April 1 – June 30	July 10
Year 2	July 1 – September 30	October 10

The Grantee will remain in compliance with the requirements set forth in this 09 NCAC 03m .0703(14), including audit oversight by the Office of the State Auditor, access to the accounting records by both the funding entity and the Office of the State Auditor, and availability of audit work papers in the possession of any auditor of any recipient of State funding.

**IX. Payment Provisions:**

The grantee shall provide the Agency with the appropriate reimbursement request (downloadable at [www.ncadfp.org](http://www.ncadfp.org)) and required documentation of performance and expenditures for associated grant reimbursement. Upon approval by the Agency, payment shall be made within 30 days. Ten percent (10%) of the total funds awarded under this Contract shall be retained by the Agency until both the final performance and financial reports are submitted by the Grantee and approved by the Agency. All payments are subject to the availability of funds.

The Grantee shall expend funds in accordance with G.S. 143C-6-23 (f1)(f2)(j). The Grantee shall account for any income earned, which may result from any funds awarded under this Contract, on the Agency “Request for Reimbursement” form. Eligible uses of income earned are:

- a. Expanding the project or program.
- b. Continuing the project or program after grant ends; or
- c. Supporting other projects or programs that further the broad objectives of the grant program.

If this Contract is terminated prior to the original end date, the Grantee may submit a final Request for Payment form. All unexpended funds shall be returned by the Grantee to the Agency within 60 days of the Contract termination date with a complete final financial report, accompanied by either a final invoice or a refund of any funds received but not expended. The Agency shall have no obligation to honor requests for payment based on expenditure reports submitted later than 60 days after termination or expiration of the Contract period.

Reimbursement requests shall be completed on a "Request for Reimbursement" form furnished to the Grantee by the Agency. All reimbursement forms must include support documentation, including but not limited to copies of invoices, individual time sheets and travel logs that have been signed by the employee and supervisor, salary registers or payrolls that include fringe benefits, hourly rates of pay, and signature of the Grantee's responsible financial person, cancelled checks and lease agreements. See the *Agricultural Development Project and Agricultural Plan Contract Grantee Duties and Reporting Requirements* document under Attachment B for more details on payment provisions.

Eligible expenditures for payment must be within the effective period noted in the Contract. Reimbursement may not be considered prior to the submission and final execution of the Contract.

All travel reimbursement shall be made in accordance with the current State rates, at the time of the expenditure, and shall be made in accordance with the "State Budget Manual" <https://www.osbm.nc.gov/budget/budget-manual>

All matching funds, including in-kind and cash, must be spent concurrently with funds provided by the Contract. Both types of matching funds expended shall be accounted for on the monthly certified invoices.

**Indirect costs are not allowable expenditures under this Contract.**

## **X. Fraud, Waste and Abuse**

Grantee, including its employees, contractors, agents, interns, or any subrecipients, shall report suspected fraud, waste and abuse activities related to any state employee, vendor or sub recipient of state funds or state resources.

There are three methods for reporting suspected fraud, waste or abuse (FWA). Grantee can report suspected FWA directly to the Agency's Audit Services Division, to any member of the Agency's management team or through the FWA reporting website below.

N.C.G.S. 143-748 permits Audit Services to treat all information as confidential. However, if an individual wishes to remain anonymous, reports can be submitted through the FWA reporting website: <https://www.ncagr.gov/divisions/internal-audit>.

Under no circumstances should an individual attempt to personally conduct investigations or interviews/interrogations related to any suspected FWA act.

Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know. This is important to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct.

It is the Agency's policy that employees/contractors/sub recipients/interns will not suffer retaliation or harassment for reporting in good faith any FWA concerns. The Agency encourages openness and will



support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be unsubstantiated.

**XI. Contract Administrators:**

All notices permitted or required to be given by one Party to the other and all questions about the Contract from one Party to the other shall be addressed and delivered to the other Party’s Contract Administrator. The name, post office address, street address, telephone number, fax number, and email address of the Parties’ respective initial Contract Administrator are set out below. Either Party may change the name, post office address, street address, telephone number, fax number, or email address of its Contract Administrator by giving timely written notice to the other Party.

**For the Agency:**

IF DELIVERED BY PARCEL CARRIER	IF DELIVERED BY ANY OTHER MEANS
Corey Hoilman, Assistant Director 1001 Mail Service Center Raleigh, NC 27699-1001 Telephone: 919-707-3069 Email: <a href="mailto:corey.hoilman@ncagr.gov">corey.hoilman@ncagr.gov</a>	Kelsey Pearce, ADFP Trust Fund Grant Specialist 2 W. Edenton St. Raleigh, NC 27601 Telephone: 919-707-3074 Email: <a href="mailto:kelsey.pearce@ncagr.gov">kelsey.pearce@ncagr.gov</a> Grants and Contracts email: <a href="mailto:agr.grants@ncagr.gov">agr.grants@ncagr.gov</a>

**For the Grantee:**

GRANTEE CONTRACT ADMINISTRATOR - MAILING ADDRESS	GRANTEE PRINCIPAL INVESTIGATOR OR KEY PERSONNEL
Andrew Waters, Farmland Preservation Coordinator Chatham Soil and Water Conservation District 1192 US 64 W Business, Suite 200 Pittsboro, NC 27312  Telephone: (919) 542-8240 Email: <a href="mailto:andrew.waters@chathamcountync.gov">andrew.waters@chathamcountync.gov</a>	Susannah Goldston, Environmental Specialist, District Director Chatham Soil and Water Conservation District  1192 US 64 W Business, Suite 200 Pittsboro, NC 27312  Telephone: (919) 542-8240 Email: <a href="mailto:susannah.goldston@chathamcountync.gov">susannah.goldston@chathamcountync.gov</a>

**XII. Supplementation of Expenditure of Public Funds:**

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.

**XIII. Disbursements:**

As a condition of this Contract, the Grantee acknowledges and agrees to make disbursements in accordance with the following requirements:

- a. Will implement or already have implemented adequate internal controls over disbursements.
- b. Pre-audit all invoices presented for payment to determine:

- Validity and accuracy of payment
  - Payment due date
  - Adequacy of documentation supporting payment
  - Legality of disbursement
- c. Assure adequate control of signature stamps/plates.
  - d. Assure adequate control of negotiable instruments; and
  - e. Have procedures in place to ensure that account balance is solvent and to reconcile the account monthly.

**XIV. Outsourcing and Subcontracting:**

The Grantee certifies that it has identified to the Agency all jobs related to the Contract that have been outsourced to other countries, if any. Grantee further agrees that it will not outsource any such jobs during the term of this Contract without providing prior notice to the Agency.

It is the Grantee's responsibility to adhere to the following if subcontracting transpires:

- a. The recipient or subrecipient is not relieved of any of the duties and responsibilities of the original contract.
- b. The subrecipient agrees to abide by the standards contained in this Subchapter and to provide information in its possession that is needed by the recipient to comply with these standards.

**XV. N.C.G.S. § 133-32 and Executive Order 24:**

N.C.G.S. § 133-32 and Executive Order 24 prohibit the offer to, or acceptance by, any State employee of any gift from anyone with a Contract with the State, or from any person seeking to do business with the State. By execution of any response in this procurement or Contract, you attest, for your entire organization and its employees or agents, that you are not aware that any such gift has been offered, accepted, or promised by any employee of your organization.

**XVI. N.C.G.S. §132-1.10 Personal Identifying Information**

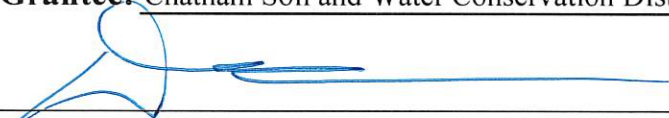
N.C.G.S. §132-1.10(a-h) outlines the use and prohibition of the social security number and/or other personal identifying information for illegitimate or unlawful reasons. In execution of this Contract, you attest, for your entire organization, its employees, agents, and/or contractors, you will protect all social security numbers and/or other personal identifying information from illegitimate or unlawful usage according to applicable North Carolina General Statutes and Policies set forth.

**XVI. Signature Warranty:**

The undersigned represent and warrant that they are authorized to bind their principals to the terms of this Contract.

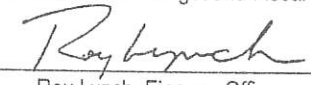
IN WITNESS WHEREOF, the Grantee and the Agency execute this Contract as an electronic original, each party will be provided a fully executed copy via electronic mail. It is required that each party retain a fully executed copy of this contract.

**Grantee:** Chatham Soil and Water Conservation District

 11/12/2024  
Signature of Authorized Representative Date

Dan LaMontagne County Manager  
Printed Name Title

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

**Witness:**  11/12/2024  
Signature Date  
Roy Lynch, Finance Officer

Christy Thomas Admin Sup Specialist II  
Printed Name Title



**North Carolina Department of Agriculture and Consumer Services**

Date:

Counter-Signature Authority:

N. David Smith  
Chief Deputy Commissioner

## **Scope of Work Attachment Contents:**

- a. Scope of Work for Project
- b. Agricultural Development Project and Agricultural Plan Contract Grantee Duties and Reporting Requirements
- c. Line-Item Budget with Narrative and Project Timeline
- d. ADFP Trust Fund Monitoring Policies
- e. Owner/Maintenance Agreement (equipment purchases only, if applicable)
- f. Subcontracting Form (if applicable)

## **Scope of Work**

The purpose of this project is to educate landowners, elected officials, local community leaders, and senior Chatham County administrators about the goals and objectives of the "2024 Chatham County Farmland Preservation Plan Update" and the newly created "Chatham Agricultural Preservation & Development (CAPD) Trust Fund."

Part I of the project will target Chatham County farmers and working landowners through direct mail marketing, direct outreach, and a "Keeping the Farm" workshop to educate local agricultural producers about farmland preservation, farm transition planning, and other priorities identified within the Farmland Preservation Plan update.

Part II of the project will target Chatham County elected officials, senior government administrators, and other community leaders about the results and goals of the Farmland Preservation Plan update. A Farmland Preservation Plan presentation targeted to this audience will be scheduled, as well as a tour of a local farm (or farms) that have been preserved through ADFP CE acquisition funding.



**N.C. Department of Agriculture & Consumer Services**  
**N.C. ADFP Trust Fund**  
*Agricultural Development Project and Agricultural Plan*  
*Contract Grantee Duties and Reporting Requirements*



1. The Grantee shall provide the Agency with progress reports, both financial and programmatic. Failure to follow the reporting timeline is a breach of the contract, and the Grantee must repay any grant funding received from the NCDA&CS ADFPTF. The following is based upon the Agency contract with the Grantee being two years in time.

For grant awards of less than \$250,000, reports are due semi-annually. Refer to the table below for the reporting period and due dates for progress and budget reports:

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Year 2	April 1 – June 30	July 10
Year 2	July 1 – September 30	October 10

In-kind and cash match shall be a part of the required financial reports, and documentation of the reported match shall be included with the reports. Documents shall be in the form of individual timesheets that the individual employee has signed and approved by the appropriate supervisor, travel logs and invoices for the in-kind match, copies of checks, bank deposits, and fund transfers for cash match. Other types of documents may be acceptable with the approval of the Agency Manager.

This grant contract is for the below-marked amount:

- Less than \$250,000
- \$250,000 or more

2. The Grantee shall provide the Agency with the appropriate reimbursement request (downloadable at [www.ncadfp.org](http://www.ncadfp.org)) and required documentation of performance and expenditures for associated grant reimbursement. The Agency shall make payments to the Grantee on the following guidance:

- a. For an initial request for payment, the Grantee may not request more than \$25,000 if the grant award is \$27,778 or greater and up to 90% of the grant if the grant award is less than \$27,778.
  - b. All payment requests must have documented purpose of use of grant funds and be within the approved amounts designated in the contract grant budget.
  - c. At no time shall the total payment of grant funding exceed the grant contract value.
  - d. All grantee payments must have receipts of expenditures to verify the use of funding per the contracted purposes.
3. The project's scope is detailed in Attachment B. Reimbursements are limited to expenditures within the project's scope and those that meet the project's objectives, aims, or purposes. The Agency shall not reimburse expenditures outside the project's scope or that do not meet the objectives, aims, or purposes of the project. Failure to complete deliverables within the project's scope will require the Grantee to repay any grant funding to the NCDA&CS ADFPTF.
4. There shall be no changes to the scope of the project upon execution of the contract. If there is a request or need to change the project's scope, the Grantee shall submit a written request to the Farmland Preservation Director detailing the changes to the project's scope. If approved, the grant contract must be amended to change the project's scope in Attachment B.
5. Reimbursements are limited to expenditures to the line items in the budget in Attachment B. The Grantee may submit a Budget Revision Request to move funds within existing line items. Funds, up to 10%, can be moved within the approved line items with prior approval of the Budget Officer. Any amount above 10% of revised budget line expenditure will require prior approval of the Budget Officer and Farmland Preservation Director. All Budget Revision Requests must include proper justification and documentation.
6. The Grantee shall also submit a final grant report. The final report must include all outputs of the project work that demonstrate that the Grantee met the project's objectives, aims, or purposes. Included in the final report, the Grantee shall provide an accounting of the final match claimed by the Grantee to fulfill the match requirement mandated under N.C.G.S. 106-744(c1)(1). Grant contract budgeting and payments shall hold back 10% of all line items until the Agency receives all required reports and documentation. The final report and all invoices are due by the 10th of the month following the contract's ending date or within 20 working days (28 calendar days) following the completion of the project. If the Grantee fails to provide the final report and required supporting documentation within the designated documentation period, the Grantee shall not receive the reimbursement and shall be considered ineligible for the 10% hold back funds.
7. There are specific final report requirements for certain types of agricultural development projects and agricultural plans. In addition to all other programmatic reports, documents, and

requirements, the Grantee shall provide the specific documents below to be eligible for the 10% hold back. The following checked items apply for this grant contract:

- For Voluntary Agricultural Districts, the Grantee shall provide the enacted local ordinance that enacts the Voluntary Agricultural Districts program. The Grantee shall provide a report with program activities, number of participants, geographic regions served, and other applicable information.
- For Enhanced Voluntary Agricultural Districts, the Grantee shall provide the enacted local ordinance that enacts the Enhanced Voluntary Agricultural Districts program. The Grantee shall provide a report with program activities, number of participants, geographic regions served, and other applicable information.
- For Farmland Protection Plans, the Grantee shall provide the Farmland Protection Plan document approved by the Agency and endorsed by the County Board of Commissioners. The Grantee shall provide a report with program activities, number of participants, geographic regions served, and other applicable information.
- For Cost of Community Services Studies, the Grantee shall provide a report detailing the fiscal contribution of existing local land uses, including costs versus revenues for each type of land use, and an evaluation of working and open lands with residential, commercial, and industrial land uses. The Grantee shall provide a report with program activities, number of participants, geographic regions served, and other applicable information.
- For marketing plans, market studies, and feasibility studies, the Grantee shall provide a report with the marketing plan with an economic impact report, or market, supply, demand, financial, environmental impact report, and other applicable analyses, including an overall recommendation for future action.
- For pilot programs, the Grantee shall provide a report with program activities, cost-benefit analysis, return on investment, or other applicable information, including an overall recommendation for future action.
- For training, demonstrations, certification, professional education, and vocational-agricultural education programs, the Grantee shall provide a report with program activities, number of participants, participant demographic information, geographic regions served, and other applicable information, including an overall recommendation for future action.
- For shared-use equipment and low-cost equipment rentals, the Grantee shall provide a report with equipment model numbers, serial numbers, storage locations, rental agreements, maintenance schedules, and other applicable information. The Grantee must complete the Owner/Maintenance Agreement in this attachment.



- For livestock facilities and farmers markets, the Grantee shall provide conceptual drawings, blueprints, project reports, equipment model numbers, serial numbers, rental fees, and other applicable information. If purchasing equipment, the Grantee must complete the Owner/Maintenance Agreement in this attachment.
- For slaughter and meat-processing facilities and processing and value-added facilities, the Grantee shall provide conceptual drawings, blueprints, project reports, equipment model numbers, serial numbers, rental fees, and other applicable information. If purchasing equipment, the Grantee must complete the Owner/Maintenance Agreement in this attachment. For public-private partnerships, a final report must be submitted that includes information on how the services increased yields, profitability, and/or sustainability of farmers and agribusinesses.
- For farm-to-table, local foods, and agritourism initiatives, the Grantee shall provide a report with program activities, cost-benefit analysis, return on investment, or other applicable information, or an economic impact report, or market, supply, demand, financial, environmental impact report, and other applicable analyses. These reports shall include an overall recommendation for future action.
- For agricultural economic development studies and programs, the Grantee shall provide a report with program activities, cost-benefit analysis, return on investment, or other applicable information, including an overall recommendation for future action. For public-private partnerships, a final report must be submitted that includes information on how the services increased yields, profitability, and/or sustainability of farmers and agribusinesses.
- For agricultural economic development studies and programs, the Grantee shall provide a report with program activities, cost-benefit analysis, return on investment, or other applicable information, including an overall recommendation for future action. For public-private partnerships, a final report must be submitted that includes information on how the services increased yields, profitability, and/or sustainability of farmers and agribusinesses.
- For on-farm and value-added studies, the Grantee shall provide a report with program activities, cost-benefit analysis, return on investment, or other applicable information, including an overall recommendation for future action.
- For alternative fuels and sustainable energy for farming practices, the Grantee shall provide a report with program activities, cost-benefit analysis, return on investment, or other applicable information, including an overall recommendation for future action.
- For climate-resilient farming practices, pilot programs, and demonstrations, the Grantee shall provide a report with program activities, cost-benefit analysis, return on investment, or other applicable information. For demonstrations, the Grantee shall provide a report with program activities, number of participants, participant demographic

information, geographic regions served, and other applicable information. These reports shall include an overall recommendation for future action.

8. Unless otherwise noted in the attached project timeline, the Grantee must request in writing a revised timeline if the grant project objectives are not completed within the first year of the contract. The Grantee must submit a request for continuation of the project in writing to the Farmland Preservation Director 60 days before the end of the first year of the contract (Day 305). This request must provide proper documentation for the hardships that delayed completing the grant project and a revised timeline to complete the project. All other required documents, including budget and progress reports, must be current. Eligible hardships include:
  - a. The Grantee has applied for matching funding and has not yet received funding notification;
  - b. The Grantee has matching funds under contract and has not yet received approval to release matching funds.

All other requests for continuing the project shall be determined on a case-by-case basis. If approved, the project may continue into the second year of the contract. If denied, the Grantee must repay any grant funding received from the NCDA&CS ADFPTF. Note: Failure by the Grantee to initiate deliverables on the project, Grantee staff shortages or changes, and Grantee time management issues are not acceptable hardships and will result in a breach of the contract, and the Grantee must repay any grant funding received from the NCDA&CS ADFPTF. Any extension of the grant contract period beyond the two-year limit will only be permitted for extreme hardships and must receive approval from the Commissioner of Agriculture.

9. Grantee monitoring shall be completed in accordance with the Agency's "Agricultural Development Project Monitoring Policy and Guidelines" or "Agricultural Plan Monitoring Policy and Guidelines" and amendments thereto. The Grantee shall electronically complete and submit to the Agency the "Grantee Monitoring Report – Agricultural Development Project" or "Grantee Monitoring Report – Agricultural Plan" to report its annual monitoring findings. The reports are accessed through a portal at [www.ncadfp.org](http://www.ncadfp.org). The first monitoring report is due by December 31 of the following calendar year after the final report has been submitted and approved, and annually thereafter for five years or unless otherwise directed by the Agency.
10. The Grantee shall complete all reports in a prescribed format, which shall be provided by the Agency. Reports and required documentation must be up to date for the Grantee to receive payments.
11. If equipment, special program supplies, or construction projects are purchased by the Grantee using grant funds, the items are subject to the Owner/Maintenance Agreement attached in

this contract. All equipment costing \$5,000 or more and purchased using Agency grant funds must be documented in the Equipment Inventory section of the Matching Funds and Equipment Inventory Summary Form.

12. The Grantee shall not subcontract any of the work contemplated under this contract without prior written approval from the Agency. Any approved subcontract shall be subject to all conditions of this contract. Only the subcontractors or subgrantees specified in the contract documents are to be considered approved upon award of the contract. The Agency shall not be obligated to pay for any work performed by any unapproved subcontractor or subgrantee. The Grantee shall be responsible for the performance of all of its subgrantees and shall not be relieved of any of the duties and responsibilities of this contract.
13. All publicity and printed material regarding projects or activities supported in whole or in part by this project shall contain the following language: "The project received support from the NCDA&CS ADFP Trust Fund." The NCDA&CS ADFP Trust Fund logo (digital versions of which can be downloaded from the Agency website at [www.ncadfp.org](http://www.ncadfp.org)) shall be displayed in all the Grantee's publicity and printed materials relating to this grant.
14. The Grantee will submit all reports and requested documents electronically unless instructed differently by Agency staff. Reports and documents may be submitted by email to: [ncadfp@ncagr.gov](mailto:ncadfp@ncagr.gov).
15. The Grantee will notify NCDA&CS ADFPTF staff immediately of all changes in contact information, including but not limited to address changes, email address changes, signature authority changes, telephone numbers, and project management changes.
16. Noncompliance with Grantee duties will result in an immediate suspension of existing Agency grant funding. The Grantee shall be ineligible for further Agency grants until the noncompliance is corrected, and the Agency has acknowledged the correction and is in good standing.

The Agency shall use the following guidance in placing a Grantee in noncompliance:

<i>Frequency of Adverse Actions</i>	<i>Severity of Consequences</i>		
	<b>Low Severity</b>	<b>Medium Severity</b>	<b>High Severity</b>
<b>High Frequency</b>	Medium Risk	High Risk	High Risk
<b>Medium Frequency</b>	Low Risk	Medium Risk	High Risk
<b>Low Frequency</b>	Low Risk	Medium Risk	Medium Risk

## Definitions:

- High Frequency: Five or more times per reporting period
- Medium Frequency: Three or four times per reporting period
- Low Frequency: One or two times per reporting period
- Low Severity: These adverse actions cause disruptions and delays to the division.
- Medium Severity: These adverse actions put grantees out of compliance with the terms of grant contracts and reporting requirements.
- High Severity: These adverse actions cause significant financial, programmatic, or legal issues that jeopardize the grantee's status as an eligible grant recipient.

## Adverse Actions

- Low Frequency, Low Severity: Low Risk
  - Failure to return one or two completed grant contract packets within 10 working days without staff approval. The reporting period is a grant award cycle.
- Medium Frequency, Low Severity: Low Risk
  - Failure to return three or four completed grant contract packets within 10 working days without staff approval. The reporting period is a grant award cycle.
- High Frequency, Low Severity: Medium Risk
  - Failure to return five or more completed grant contract packets within 10 working days without staff approval. The reporting period is a grant award cycle.
  - All grant payments and proposed grant contracts are frozen until reports are filed and approved. Review of proposed grant requests (RFPs) may continue but no grant contracts may be offered.
- Low Frequency, Medium Severity: Medium Risk
  - One or two late budget and progress reports or monitoring reports in the previous reporting period. The reporting period is either semi-annually or quarterly for open contracts, and annually for monitoring reports.
  - All grant payments and proposed grant contracts are frozen until reports are filed and approved. Review of proposed grant requests (RFPs) may continue but no grant contracts may be offered.
- Medium Frequency, Medium Severity: Medium Risk
  - Three or four late budget and progress reports or monitoring reports in the previous reporting period. The reporting period is either semi-annually or quarterly for open contracts, and annually for monitoring reports.
  - All grant payments and proposed grant contracts are frozen until reports are filed and approved. Review of proposed grant requests (RFPs) may continue but no grant contracts may be offered.
- High Frequency, Medium Severity: High Risk
  - Five or more late budget and progress reports or monitoring reports in the previous reporting period. The reporting period is either semi-annually or quarterly for open contracts, and annually for monitoring reports.

- One or more late budget and progress reports or monitoring reports in the two previous reporting periods. The reporting period is either semi-annually or quarterly for open contracts, and annually for monitoring reports.
- All grant payments and proposed grant contracts frozen until reports are filed and approved. Review of proposed grant requests (RFPs) discontinued, and no grant contract may be offered.
- Low Frequency, High Severity: Medium Risk
  - Failure to submit the final report and all invoices within 20 working days (28 calendar days) following the closing and recording date of one or two conservation easement projects. The reporting period is annual.
  - Failure to submit the final report and all invoices by the 10th of the month following the contract's ending date or within 20 working days (28 calendar days) following the completion of the project for one or two agricultural development projects or agricultural plans. The reporting period is annual.
  - All grant payments and proposed grant contracts are frozen until reports are filed and approved. Review of proposed grant requests (RFPs) may continue but no grant contracts may be offered.
- Medium Frequency, High Severity: High Risk
  - Failure to submit the final report and all invoices within 20 working days (28 calendar days) following the closing and recording date of three or four conservation easement projects. The reporting period is annual.
  - Failure to submit the final report and all invoices by the 10th of the month following the contract's ending date or within 20 working days (28 calendar days) following the completion of the project for three or four agricultural development projects or agricultural plans. The reporting period is annual.
  - Material weakness found in audit. Remain at high risk until it is corrected.
  - All grant payments and proposed grant contracts frozen until reports are filed and approved. Review of proposed grant requests (RFPs) discontinued, and no grant contract may be offered.
- High Frequency, High Severity: High Risk
  - One or more late budget and progress reports or monitoring reports in the three previous reporting periods. The reporting period is either semi-annually or quarterly for open contracts, and annually for monitoring reports.
  - Named on the North Carolina Office of State Budget and Management (OSBM) Suspension of Funding List (SOFL). The reporting period is weekly.
  - Failure to submit the final report and all invoices within 20 working days (28 calendar days) following the closing and recording date of five or more conservation easement projects. The reporting period is annual.
  - Failure to submit the final report and all invoices by the 10th of the month following the contract's ending date or within 20 working days (28 calendar days) following the completion of the project for five or more agricultural development projects or agricultural plans. The reporting period is annual.

- All grant payments are frozen. Grantee is not eligible for an ADFP Trust Fund grant application or contract.

17. The grant contract budget and project timeline are as attached:

**Projects Plans Budget Worksheet - Chatham County FPP Implementation Project**

Line Item	ADFP Trust Fund	Secured Match	Unsecured Match	Total Matching Funds	Totals	Notes
101 - Site Development (Project Only)				\$ -	\$ -	
102 - Construction (Project Only)				\$ -	\$ -	
103 - Equipment				\$ -	\$ -	
104 - Travel (applicable state rates)				\$ -	\$ -	
105 - Special Program Supplies	\$ 625.00	\$ 1,000.00		\$ 1,000.00	\$ 1,625.00	Projector, Portable Screen
106 - Consultant and Specialized Services	\$ 2,000.00	\$ 1,000.00		\$ 1,000.00	\$ 3,000.00	Graphic design, Facility Fees, Coordination of Inaugural Farmland Preservation Tour
107 - Personnel and Administrative		\$ 1,600.00		\$ 1,600.00	\$ 1,600.00	
108 - Office Supplies		\$ 200.00		\$ 200.00	\$ 200.00	
109 - Printing and Binding	\$ 3,250.00	\$ 250.00		\$ 250.00	\$ 3,500.00	Postage, Printing Brochures, Banner, Booklets
110 - Promotional Materials	\$ 1,500.00			\$ -	\$ 1,500.00	Display for Booth, Advertising
111 - Workshops and Conferences				\$ -	\$ -	
<b>Totals</b>	<b>\$ 7,375.00</b>	<b>\$ 4,050.00</b>	<b>\$ -</b>	<b>\$ 4,050.00</b>	<b>\$ 11,425.00</b>	

# Project Timeline - Chatham County FPP Implementation Project

Quarter (Grant Year 1)	Tasks/Goals	Grant Funding to be Used	Matching Funds (cash or in-kind) to be Used	Total Funding to be Used
October 1, 2024 - December 31, 2024	Office Supplies, Personnel and Administrative		\$ 1,800.00	\$ 1,800.00
January 1, 2025 - March 31, 2025	Postage, Printing Brochures, Banner, Booklets for Direct Mailings Projector, Portable Screen Purchase for Presentations	\$ 3,875.00	\$ 1,250.00	\$ 5,125.00
April 1, 2025 - June 30, 2025	Graphic design, Facility Fees, Coordination of Inaugural Farmland Preservation Tour Display for Booth and Event Advertising	\$ 3,500.00	\$ 1,000.00	\$ 4,500.00
July 1, 2025 - September 30, 2025				\$ -
<b>Grant Year Subtotals</b>		<b>\$ 7,375.00</b>	<b>\$ 4,050.00</b>	<b>\$ 11,425.00</b>

Quarter (Grant Year 2)	Tasks/Goals	Grant Funding to be Used	Matching Funds (cash or in-kind) to be Used	Total Funding to be Used
October 1, 2025 - December 31, 2025				\$ -
January 1, 2026 - March 31, 2026				\$ -
April 1, 2026 - June 30, 2026				\$ -
July 1, 2026 - September 30, 2026				\$ -

<b>Grant Year Subtotals</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
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<b>Entire Grant Period Totals</b>	<b>\$ 7,375.00</b>	<b>\$ 4,050.00</b>	<b>\$ 11,425.00</b>
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**N.C. Department of Agriculture & Consumer Services**  
N.C. ADFP Trust Fund  
*Agricultural Development Project Monitoring Policy and Guidelines*



## **I. Purpose**

The N.C. Agricultural Development and Farmland Preservation (ADFP) Trust Fund, administered by the Farmland Preservation Division of the N.C. Department of Agriculture & Consumer Services, provides grants for agricultural development projects throughout the state of North Carolina.

The ADFP Trust Fund will “hold grantees accountable for the expenditure of State funds by performing monitoring and oversight functions,” in accordance with Administrative Code 09 NCAC 03M “Uniform Administration of State Grants” and Subsection .0400, pursuant to N.C.G.S. 143C-6-22 & 23. The ADFP Trust Fund will work with the grantee to ensure compliance with the terms and conditions of the contract. Monitoring is necessary to make certain the agricultural development projects are maintained while ensuring a productive relationship between the funding source (ADFP Trust Fund) and grantee (counties or private nonprofit conservation organizations, according to N.C.G.S. 106-744).

## **II. Definition of Agricultural Development Projects**

According to N.C.G.S. 106-744, agricultural development projects are defined as “public and private enterprise programs that will promote profitable and sustainable family farms through assistance to farmers in developing and implementing plans for the production of food, fiber, and value-added products, agritourism activities, marketing and sales of agricultural products produced on the farm, and other agriculturally related business activities.”

## **III. Involved Parties**

The ADFP Trust Fund, administered by the Commissioner of Agriculture, is the funding source for agricultural development projects. The ADFP Trust Fund has full-time staff located in Raleigh, North Carolina. Part-time field staff members are located throughout the state. The ADFP Trust Fund Monitoring and Stewardship Coordinator is the monitoring program manager, unless otherwise designated by the Farmland Preservation Division Director. ADFP Trust Fund Field Staff and the Monitoring and Stewardship Coordinator will conduct on-site monitoring. On-site monitoring visits are assigned by the Monitoring and Stewardship Coordinator. In-office monitoring reviews are the responsibility of the Monitoring and Stewardship Coordinator.

The ADFP Trust Fund Advisory Committee is administratively located within the N.C. Department of Agriculture and Consumer Services. The Advisory Committee will advise the Commissioner on the prioritization and allocation of funds, the development of criteria for awarding funds, guidelines for monitoring easements and projects, program planning, and other areas where monies from the ADFP Trust Fund can be used to promote the growth and development of family farms in North Carolina.

Grantees are counties or private nonprofit conservation organizations. **Grantees are required to monitor the project at least once a year and complete annual monitoring reports for the length of the monitoring term.**

## **IV. ADFP Trust Fund Monitoring Roles and Responsibilities**

Agricultural development projects will be monitored for five (5) years after the closing of the contract, unless otherwise directed by the Program Director or Commissioner of Agriculture. If an agricultural development project is complete and no further activities are taking place inside the monitoring period, the assigned field staff or Monitoring and Stewardship Coordinator may recommend termination of monitoring activities to the Program Director (see termination request protocol below).

The ADFP Trust Fund monitoring methods include, but not limited to:

- Site visit: ADFP Trust Fund field staff member and/or Monitoring and Stewardship Coordinator will accompany the grantee to visit a physical location where the agricultural development project is established. This method will be required when ADFP Trust Fund monies are used for the following expenditure categories: site development, construction, or equipment. A site visit may be used for the following expenditure categories if the agricultural development project is part of a larger operation: special program supplies, consultant and specialized services, or promotional materials.
- In-office: ADFP Trust Fund staff will review any materials pertaining to the project, e.g. website, promotional materials, news etc. The ADFP Trust Fund field staff member will conduct a conference call with the grantee.

Site visit protocol for ADFP Trust Fund staff:

- Contact grantee about site visit. ADFP Trust Fund staff and grantee will coordinate annual monitoring visits to the extent possible.
- Review completed "Grantee Monitoring Report – Agricultural Development Project."
- Compile documentation, including, but not limited to, photographs and data.
- Complete "ADFP Trust Fund Staff Monitoring Report – Agricultural Development Project."
- Complete "ADFP Trust Fund Staff Monitoring Termination Request – Agricultural Development Project or Agricultural Plan" if appropriate.
- A site visit will be conducted within one (1) year of the contract closing. Site visits will then occur during the third and fifth years. The fifth site visit will occur before the date of the contract closing five years prior. Example: If a contract is closed on 12/31/14, the first site visit will occur prior to 12/31/15. The third site visit will occur in the year 2017. The fifth site visit will occur prior to 12/31/19. This schedule will be used unless otherwise directed by the Program Director or Commissioner of Agriculture.

In-office monitoring protocol for ADFP Trust Fund staff:

- Review completed "Grantee Monitoring Report – Agricultural Development Project."
- Review the most current data available (e.g. website, promotional materials, news etc.).
- Conduct a conference call with the grantee.
- Complete "ADFP Trust Fund Staff Monitoring Report – Agricultural Development Project."
- Complete "ADFP Trust Fund Staff Monitoring Termination Request – Agricultural Development Project or Agricultural Plan" if appropriate.
- In-office monitoring will be completed in the years when site visits do not occur.

Monitoring termination request protocol for ADFP Trust Fund staff:

- An "ADFP Trust Fund Staff Monitoring Termination Request – Agricultural Development Project or Agricultural Plan" can be submitted if the field staff member or Monitoring and Stewardship Coordinator determines that the agricultural project does not need to be monitored for the full monitoring period.
- The completed "ADFP Trust Fund Staff Monitoring Termination Request – Agricultural Development Project or Agricultural Plan" will be submitted to the Program Director for review.
- If the Program Director approves the request, the appropriate NCDA&CS staff will notify the grantee that monitoring has been completed for the project. Neither the grantee nor ADFP Trust Fund Staff will be required to submit monitoring reports for the remainder of the

monitoring period.

### V. Grantee Monitoring Responsibilities and Expectations

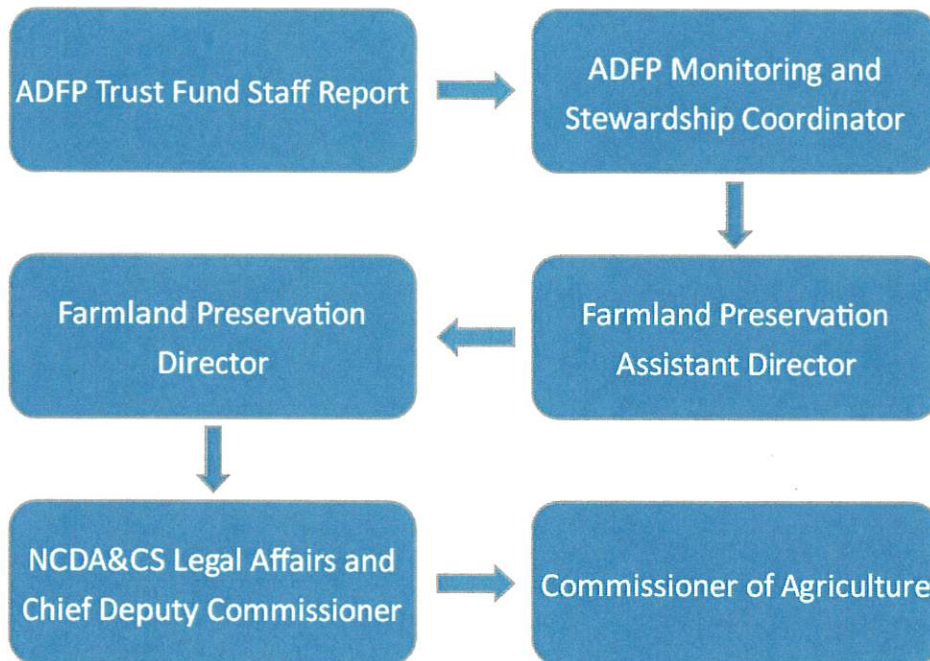
After the approval of final budget and progress reports and the closeout of the contract, Grantees will complete and submit the online “Grantee Monitoring Report – Agricultural Development Project” to the ADFP Trust Fund office annually on or before December 31. The “Grantee Monitoring Report – Agricultural Development Project” is accessed through NC ADFP Trust Fund’s website. For the direct link to the portal, click [here](#). Grantees will be required to create a Formsite account to access the report portal. Grantees should follow the prompts in the online portal to complete and submit their report.

**Failure to file annual monitoring reports on or before December 31 of each year shall constitute a violation of the grant contract.**

In January, ADFP Trust Fund staff and grantees will coordinate to the extent possible the annual monitoring visit schedule for projects due for a site visit that year. Grantees are encouraged to submit a tentative site visit schedule to the ADFP Trust Fund office ninety (90) days prior to the first scheduled site visit. As subsequent site visits are scheduled throughout the year by the grantee, the ADFP Trust Fund office will be notified in a timely manner of site visits due for that calendar year.

### VI. Additional Guidance and Reference- Potential Violations

For issues in dispute or potential violations, the ADFP Trust Fund Staff will report such differences to the ADFP Monitoring and Stewardship Coordinator, who will then initiate an internal review with division and department leadership. See chart below.



ADFP Trust Fund Staff are to follow approved ADFP Trust Fund Policies and Guidelines as directed by the ADFP Trust Fund Advisory Committee and the Commissioner of Agriculture, i.e. ADFP Trust Fund Grantee Eligibility Classification.

## **VII. Monitoring Documents**

The following documents will be used for the monitoring of agricultural development projects:

- Grantee Monitoring Report – Agricultural Development Project
- ADFP Trust Fund Staff Monitoring Report – Agricultural Development Project
- ADFP Trust Fund Staff Monitoring Termination Request – Agricultural Development Project or Agricultural Plan

## **VIII. Document Filing, Retention, and Disposal**

All completed reports, including photographs and supplemental documentation from grantees, will be scanned for electronic storage and printed for paper files. Electronic copies of monitoring documents will be stored on the ADFP Trust Fund server and SharePoint page.

All monitoring documents will be filed, retained, and disposed of pursuant to the ADFP Trust Fund records retention schedule.

## OWNER / MAINTENANCE AGREEMENT

1. Grantee shall retain ownership of the materials and equipment purchased with grant funds for a minimum of ten years. Grantee may request to sale or dispose of grant funded equipment by written notification to the Agency and with written Agency approval. The Agency shall have 30 days to respond to the grantee. Any proceeds over \$100.00 generated from the sale or disposition of equipment purchased under this grant shall be returned to the Agency within 30 days of sale.
2. All equipment purchases using grant funding shall be identified by the serial number and picture identification by the Grantee and provided to the Agency upon purchase and reimbursement request.
3. The Grantee shall keep all equipment in working order and maintained based on manufacturer's recommendations.
4. For the first ten years of ownership:
  - a. Grantee shall maintain and keep on file a record of all repairs for inspection purposes. At a minimum this record shall include the following information:
    - Date of repair;
    - Reason for repair;
    - Cost of repair;
    - List of replacement parts if any;
    - Name of company and person who completed repair work; and
    - If a warranty is associated with any replacement parts, it should be placed on file.
  - b. Grantee shall keep manufacturer's warranties on file.
  - c. Grantee shall follow the "Agricultural Development Project Monitoring Policy and Guidelines" and amendments there to.
5. Any changes to this agreement shall require written approval by the Agency.

**General Terms and Conditions**

**DEFINITIONS**

Unless indicated otherwise from the context, the following terms shall have the following meanings in this Contract. All definitions are from 9 NCAC 3M.0102 unless otherwise noted. If the rule or statute that is the source of the definition is changed by the adopting authority, the change shall be incorporated herein:

- (1) "Agency" (as used in the context of the definitions below) shall mean and include every public office, public officer or official (State or local, elected or appointed), institution, board, commission, bureau, council, department, authority or other unit of government of the State or of any county, unit, special district or other political subagency of government. For other purposes in this Contract, "Agency" shall mean the entity identified as one of the parties hereto.
- (2) "Audit" means an examination of records or financial accounts to verify their accuracy.
- (3) "Certification of Compliance" means a report provided by the Agency to the Office of the State Auditor that states that the Grantee has met the reporting requirements established by this Subchapter and included a statement of certification by the Agency and copies of the submitted grantee reporting package.
- (4) "Compliance Supplement" refers to the North Carolina State Compliance Supplement, maintained by the State and Local Government Finance Agency within the North Carolina Department of State Treasurer that has been developed in cooperation with agencies to assist the local auditor in identifying program compliance requirements and audit procedures for testing those requirements.
- (5) "Contract" means a legal instrument that is used to reflect a relationship between the agency, grantee, and subgrantee.
- (6) "Fiscal Year" means the annual operating year of the non-State entity.
- (7) "Financial Assistance" means assistance that non-State entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance. Financial assistance does not include amounts received as reimbursement for services rendered to individuals for Medicare and Medicaid patient services.
- (8) "Financial Statement" means a report providing financial statistics relative to a given part of an organization's operations or status.
- (9) "Grant" means financial assistance provided by an agency, grantee, or subgrantee to carry out activities whereby the grantor anticipates no programmatic involvement with the grantee or subgrantee during the performance of the grant.
- (10) "Grantee" has the meaning in G.S. 143C-6-23(a)(2): a non-State entity that receives a grant of State funds from a State agency, department, or institution but does not include any non-State entity subject to the audit and other reporting requirements of the Local Government Commission. For other purposes in this Contract, "Grantee" shall mean the entity identified as one of the parties hereto.
- (11) "Grantor" means an entity that provides resources, generally financial, to another entity in order to achieve a specified goal or objective.
- (12) "Non-State Entity" has the meaning in N.C.G.S. 143C-1-1(d)(18): Any of the following that is not a State agency: an individual, a firm, a partnership, an association, a county, a corporation, or any other organization acting as a unit. The term includes a unit of local government and public authority.
- (13) "Public Authority" has the meaning in N.C.G.S. 143C-1-1(d)(22): A municipal corporation that is not a unit of local government or a local governmental authority, board, commission, council, or agency that (i) is not a municipal corporation and (ii) operates on an area, regional, or multiunit basis, and the budgeting and accounting systems of which are not fully a part of the budgeting and accounting systems of a unit of local government.
- (14) "Single Audit" means an audit that includes an examination of an organization's financial statements, internal controls, and compliance with the requirements of federal or State awards.
- (15) "Special Appropriation" means a legislative act authorizing the expenditure of a designated amount of public funds for a specific purpose.
- (16) "State Funds" means any funds appropriated by the North Carolina General Assembly or collected by the State of North Carolina. State funds include federal

financial assistance received by the State and transferred or disbursed to non-State entities. Both federal and State funds maintain their identity as they are subgranted to other organizations. Pursuant to N.C.G.S. 143C-6-23(a)(1), the terms "State grant funds" and "State grants" do not include any payment made by the Medicaid program, the Teachers' and State Employees' Comprehensive Major Medical Plan, or other similar medical programs.

- (17) "Subgrantee" has the meaning in G.S. 143C-6-23(a)(3): a non-State entity that receives a grant of State funds from a grantee or from another subgrantee but does not include any non-State entity subject to the audit and other reporting requirements of the Local Government Commission.
- (18) "Unit of Local Government" has the meaning in G.S. 143C-1-1(d)(29): A municipal corporation that has the power to levy taxes, including a consolidated city-county as defined by G.S. 160B-2(1), and all boards, agencies, commissions, authorities, and institutions thereof that are not municipal corporations.

### **Relationships of the Parties**

**Independent Contractor:** The Grantee is and shall be deemed to be an independent Contractor in the performance of this Contract and as such shall be wholly responsible for the work to be performed and for the supervision of its employees. The Grantee represents that it has, or shall secure at its own expense, all personnel required in performing the services under this agreement. Such employees shall not be employees of, or have any individual contractual relationship with, the Agency.

**Subcontracting:** The Grantee shall not subcontract any of the work contemplated under this Contract without prior written approval from the Agency. Any approved subcontract shall be subject to all conditions of this Contract. Only the subcontractors or subgrantees specified in the Contract documents are to be considered approved upon award of the Contract. The Agency shall not be obligated to pay for any work performed by any unapproved subcontractor or subgrantee. The Grantee shall be responsible for the performance of all of its subgrantees and shall not be relieved of any of the duties and responsibilities of this Contract.

**Subgrantees:** The Grantee has the responsibility to ensure that all subgrantees, if any, provide all information necessary to permit the Grantee to comply with the standards set forth in this Contract.

**Assignment:** No assignment of the Grantee's obligations or the Grantee's right to receive payment hereunder shall be permitted. However, upon written request approved by the issuing purchasing authority, the State may:

- (a) Forward the Grantee's payment check(s) directly to any person or entity designated by the Grantee, or
- (b) Include any person or entity designated by Grantee as a joint payee on the Grantee's payment check(s).

In no event shall such approval and action obligate the State to anyone other than the Grantee and the Grantee shall remain responsible for fulfillment of all Contract obligations.

**Beneficiaries:** Except as herein specifically provided otherwise, this Contract shall inure to the benefit of and be binding upon the parties hereto and their respective successors. It is expressly understood and agreed that the enforcement of the terms and conditions of this Contract, and all rights of action relating to such enforcement, shall be strictly reserved to the Agency and the named Grantee. Nothing contained in this document shall give or allow any claim or right of action whatsoever by any other third person. It is the express intention of the Agency and Grantee that any such person or entity, other than the Agency or the Grantee, receiving services or benefits under this Contract shall be deemed an incidental beneficiary only.

### **Indemnity**

**Indemnification:** The Grantee agrees to indemnify and hold harmless the Agency, including any of its Divisions, and any of its officers, agents and employees, from liability of any kind, and from any claims of third parties arising out of any act or omission of the Contractor in connection with the performance of this Contract to the extent permitted by law.

### **Default and Termination**

**Termination by Mutual Consent:** The Parties may terminate this Contract by mutual consent with 60 days notice to the other party, or as otherwise provided by law.

**Termination for Cause:** If, through any cause, the Grantee shall fail to fulfill its obligations under this Contract in a timely and proper manner, the Agency shall have the right to terminate this Contract by giving written notice to the Grantee and specifying the effective date thereof.

In that event, all finished or unfinished deliverable items prepared by the Grantee under this Contract

shall, at the option of the Agency, become its property and the Grantee shall be entitled to receive just and equitable compensation for any satisfactory work completed on such materials, minus any payment or compensation previously made.

Notwithstanding the foregoing provision, the Grantee shall not be relieved of liability to the Agency for damages sustained by the Agency by virtue of the Grantee's breach of this agreement, and the Agency may withhold any payment due the Grantee for the purpose of setoff until such time as the exact amount of damages due the Agency from such breach can be determined. The filing of a petition for bankruptcy by the Grantee shall be an act of default under this Contract.

**Waiver of Default:** Waiver by the Agency of any default or breach in compliance with the terms of this Contract by the Grantee shall not be deemed a waiver of any subsequent default or breach and shall not be construed to be modification of the terms of this Contract unless stated to be such in writing, signed by an authorized representative of the Agency and the Grantee and attached to the Contract.

**Availability of Funds:** The parties to this Contract agree and understand that the payment of the sums specified in this Contract is dependent and contingent upon and subject to the appropriation, allocation, and availability of funds for this purpose to the Agency.

**Force Majeure:** Neither party shall be deemed to be in default of its obligations hereunder if and so long as it is prevented from performing such obligations by any act of war, hostile foreign action, nuclear explosion, riot, strikes, civil insurrection, earthquake, hurricane, tornado, or other catastrophic natural event or act of God.

**Survival of Promises:** All promises, requirements, terms, conditions, provisions, representations, guarantees, and warranties contained herein shall survive the Contract expiration or termination date unless specifically provided otherwise herein, or unless superseded by applicable federal or State statutes of limitation.

### **Intellectual Property Rights**

**Copyrights and Ownership of Deliverables:** All deliverable items produced pursuant to this Contract are the exclusive property of the Agency. The Grantee shall not assert a claim of copyright or other property interest in such deliverables.

and licensing requirements that are applicable to the conduct of its business, including those of federal, State, and local agencies having jurisdiction and/or authority.

**Equal Employment Opportunity:** The Grantee shall take affirmative action in complying with all federal and State statutes and all applicable requirements concerning fair employment of people with disabilities, and concerning the treatment of all employees without regard to discrimination by reason of race, color, religion, sex, national origin or disability. For additional information see Title VI of the Civil Rights Act of 1964 (42 U.S.C., 2000d, 2000e-16), Title XI of the Education amendments of 1972, as amended (20 U.S.C. 1681-1683 and 1685-1686), and section 504 of the Rehabilitation Act of 1973 as amended (29 U.S.C. 794).

**Executive Order 24:** In accordance with Executive Order 24, issued by Governor Perdue, and N.C.G.S. § 133-32, a vendor or contractor (i.e. architect, bidder, contractor, construction manager, design professional, engineer, landlord, offeror, seller, subcontractor, supplier, vendor, or grantee), is prohibited from making gifts or giving favors to any employee of the Agency of Agriculture and Consumer Services. This prohibition covers those vendors, contractors, and/or grantees who:

- (a) have a Contract with a governmental Agency; or
- (b) have performed under such a Contract within the past year; or
- (c) anticipate bidding on such a Contract in the future.

For additional information regarding the specific requirements and exemptions, vendors, contractors, and/or grantees are encouraged to review Executive Order 24 and N.C.G.S. § 133-32.

### **Confidentiality**

**Confidentiality:** Any information, data, instruments, documents, studies or reports given to or prepared or assembled by the Grantee under this agreement shall be kept as confidential and not divulged or made available to any individual or organization without the prior written approval of the Agency. The Grantee acknowledges that in receiving, storing, processing or otherwise dealing with any confidential information it will safeguard and not further disclose the information except as otherwise provided in this Contract.

### **Compliance with Applicable Laws**

**Compliance with Laws:** The Grantee shall comply with all laws, ordinances, codes, rules, regulations,

### **Oversight**

**Access to Persons and Records:** The State Auditor and the using agency's internal auditors shall have



access to persons and records as a result of all Contracts or grants entered into by State agencies or political subdivisions in accordance with General Statute 147-64.7 and Session Law 2010-194, Section 21 (i.e., the State Auditors and internal auditors may audit the records of the contractor during the term of the Contract to verify accounts and data affecting fees or performance).

**Record Retention:** Records shall not be destroyed, purged or disposed of without the express written consent of the Agency. State basic records retention policy requires all grant records to be retained for a minimum of five years or until all audit exceptions have been resolved, whichever is longer. If the Contract is subject to federal policy and regulations, record retention may be longer than five years since records must be retained for a period of three years following submission of the final Federal Financial Status Report, if applicable, or three years following the submission of a revised final Federal Financial Status Report. Also, if any litigation, claim, negotiation, audit, disallowance action, or other action involving this Contract has been started before expiration of the five-year retention period described above, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular five-year period described above, whichever is later.

#### **Miscellaneous**

**Choice of Law:** The validity of this Contract and any of its terms or provisions, as well as the rights and duties of the parties to this Contract, are governed by the laws of North Carolina. The Grantee, by signing this Contract, agrees and submits, solely for matters concerning this Contract, to the exclusive jurisdiction of the courts of North Carolina and agrees, solely for such purpose, that the exclusive venue for any legal proceedings shall be Wake County, North Carolina. The place of this Contract and all transactions and agreements relating to it, and their situs and forum, shall be Wake County, North Carolina, where all matters whether sounding in Contract or tort, relating to the validity, construction, interpretation, and enforcement shall be determined.

**Headings:** The Section and Paragraph headings in these General Terms and Conditions are not material parts of the agreement and should not be used to construe the meaning thereof.

**Time of the Essence:** Time is of the essence in the performance of this Contract.

**Care of Property:** The Grantee agrees that it shall be responsible for the proper custody and care of any property furnished to it for use in connection with the performance of this Contract and will reimburse the

Agency for loss of, or damage to, such property. At the termination of this Contract, the Grantee shall contact the Agency for instructions as to the disposition of such property and shall comply with these instructions.

**Amendment:** This Contract may not be amended orally or by performance. Any amendment must be made in written form and executed by duly authorized representatives of the Agency and the Grantee.

**Severability:** In the event that a court of competent jurisdiction holds that a provision or requirement of this Contract violates any applicable law, each such provision or requirement shall continue to be enforced to the extent it is not in violation of law or is not otherwise unenforceable and all other provisions and requirements of this Contract shall remain in full force and effect.

**Travel Expenses:** Reimbursement to the Grantee for travel mileage, meals, lodging and other travel expenses incurred in the performance of this Contract shall be reasonable and supported by documentation. State rates shall be used. International travel shall not be reimbursed under this Contract.

**Sales/Use Tax Refunds:** If eligible, the Grantee and all subgrantees shall: (a) ask the North Carolina Department of Revenue for a refund of all sales and use taxes paid by them in the performance of this Contract, pursuant to G.S. 105-164.14; and (b) exclude all refundable sales and use taxes from all reportable expenditures before the expenses are entered in their reimbursement reports.

**Advertising:** The Grantee shall not use the award of this Contract as a part of any news release or commercial advertising.

**Indirect Costs Policy:** The Agency has adopted a "Zero" policy that indirect costs are unallowable expenditures in all State funded grant applications and/or grant guidance, informational or directional documents.

**Allowable Uses of State Funds:** Expenditures of State funds by any grantee shall be in accordance with the Cost Principles outlined in the Office of Management and Budget (OMB) CFR Title 2, Part 200 Uniform Administrative Requirements, as applicable. If the grant funding includes federal sources, the grantee shall ensure adherence to the cost principles established by the Federal Office of Management and Budget. [09 NCAC 03M.020]