



Executive Board Meeting Agenda

*Wednesday, April 8, 2020
Conference Line: 1-888-354-0094
Passcode: 8063011111*

Chairman Bobby Compton will convene a meeting of the Centralina COG Executive Board on Wednesday, April 8, 2020 at 5:00 pm. The meeting will be held via conference call.

Time	Item	Presenter
5:00 p.m.	Call to Order	Bobby Compton
	Invocation	
	Amendments to the Agenda (if any)	
Consent Items: <i>Consent agenda items may be considered in one motion and without discussion except for those items removed by a Board member.</i>		
5:05 p.m. Item 1 Pages 4 - 7	FY2020 Budget Amendment The Executive Board is asked to review and approve an amendment to the operating and grant budgets for FY2020. Action/Recommendation: <i>Motion to approve the operating and grants budget amendments for FY2020.</i>	Denise Strosser
Item 2 Pages 9 - 32	FY2020 Audit Contract The Executive Board is asked to approve a contract with Cherry Bekaert, LLP for external auditing services for the fiscal year ending June 30, 2020. Action/Recommendation: <i>Motion to approve the audit engagement letter from Cherry Bekaert for FY2020.</i>	Denise Strosser
Item 3 Pages 34 - 37	Approval of the March 18, 2020 Executive Board Meeting Minutes The minutes from the March 18, 2020 meeting have been distributed to all members of the Executive Board and should be approved if correct. Action/Recommendation: <i>Motion to approve the March 18, 2020 Executive Board meeting minutes.</i>	Bobby Compton
Regular Business Items:		
5:10 p.m. Item 4 30 minutes Page 39	Regional Updates The Executive Director and CCOG Department Directors will provide an update on COVID-19 novel coronavirus regional coordination, response, and engagement. Action/Recommendation: <i>Receive as information.</i>	Geraldine Gardner
5:40 p.m. Item 5 10 minutes Pages 41 - 42	Federal Relations Update CCOG's federal relations consultant, Leslie Mazingo, will present an update on the organization's federal relations efforts, including a performance report on activities from March 2020. Action/Recommendation: <i>Motion to accept the Strategics Consulting performance report for March 2020.</i>	Leslie Mazingo
5:50 p.m. Item 6 10 minutes Pages 44 - 45	CCOG Personnel Policy Manual Amendments The Executive Board will consider amendments to the Personnel Policy Manual to add Administrative Leave with Pay. The Executive Director is also providing notice to the Board that she has issued new policies to conform with Federal guidelines in the Families First Coronavirus Response Act. These policies went into effect on April 1, 2020.	Geraldine Gardner



Executive Board Meeting Agenda

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Time	Item	Presenter
	Action/Recommendation: <i>Motion to approve adding Administrative Leave with Pay as a leave category to the CCOG Personnel Manual and to affirm that the Coronavirus Pandemic is a qualifying situation for an emergency closure if designated by the Executive Director at a future date.</i>	
6:00 p.m. 5 minutes	Comments from the Executive Board and CCOG Staff	Board Members
6:05 p.m. 5 minutes	Comments from the Chair	Bobby Compton
6:10 p.m. 5 minutes	Comments from the Executive Director	Geraldine Gardner
6:15 p.m.	Adjournment	Bobby Compton

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Centralina Council of Governments

Item 1



Board Agenda Item Cover Sheet

Board Meeting Date:	April 8, 2020	Agenda Item Type:	Consent:	X	Regular:	
Submitting Person:	Denise Strosser	Presentation Time (est.):	5 minutes			
Presenter at meeting:	Denise Strosser	Phone Number/Ext:	704-348-2704			
		Email:	dstrosser@centralina.org			
Alternate Contact Person:	Geraldine Gardner	Phone Number/Ext:	704-348-2703			
		Email:	ggardner@centralina.org			
Submitting Department:	Finance	Department Head Approval:				
Description of Agenda Item:						
As required by general statute, attached is an updated budget amendment for FY19-20 operating and grant budgets.						
Background & Basis of Recommendations:						
A placeholder budget was approved by the Executive Board on January 9, 2019 and adopted by the Board of Delegates on February 13, 2019 as required by CCOG Charter. This second amendment represents changes to reflect Federal and State grant allocations as of March 23, 2020 as well as other contracts received and confirmed since the adoption of the budget. We will continue to update the budget as new funds are received from new business contracts or grants from state and federal agencies. The attached amendments are to replace the placeholder budget with current and up to date funding and expenditures.						
Action / Recommendation:						
Approval by the Board of the attached budget amendments for FY 19-20.						
Time Sensitivity (none or explain):						
Budget Impact (if applicable):	As indicated on attachments					
List of Attachments (if any):	Operating and Grants Budget Amendments with comments					

Fiscal Year 2019-2020 Grant Pass Through Budgets Amendment

<u>Program</u>	<u>FY2019-2020 Adopted Budget</u>	<u>01.09.2020 FY2019-2020 Budget</u>	<u>03.23.2020 FY2019-2020 Budget</u>	<u>Net Increase (Decrease)</u>	<u>Comments</u>
Area Agency on Aging					
HCC Block Grant	11,935,000	9,840,057	9,840,057	-	
USDA Supplement	715,000	650,000	650,000 (1)	-	Estimate
Title III-B Legal	95,700	82,361	82,361	-	
Family Caregiver	572,000	514,020	514,020	-	
Disease Prevention/Health Promotion	38,500	35,685	35,685	-	
State Senior Center General Purpose	175,000	119,834	119,834	-	
Heat Fan Relief	22,000	15,000	15,000	-	Estimate
	<u>13,553,200</u>	<u>11,256,957</u>	<u>11,256,957</u>	<u>-</u>	
<i>(1) This program does not have a lump sum authorization currently. It is authorized at .75 per meal. Current Authorization is an estimate.</i>					
Workforce Development					
WIOA 19-4010 Adult Services 2019	1,300,000	1,365,120	1,933,690	568,570	Transfer to Dislocated Worker
WIOA 19-4030 Dislocated Workers 2019	1,220,000	809,260	240,690	(568,570)	Transfer from Adult Services
WIOA 19-4040 Youth Services 2019	1,300,000	1,157,885	1,157,885	-	
WIOA 19-4050 Finish Line Grant		119,060	119,060	-	
WIOA 19-6036 Contingency - All			200,000	200,000	New award
WIOA 19 ACP PT Revenue			67,966	67,966	\$22,000 new award, \$46,097 transfer from operations
	<u>3,820,000</u>	<u>3,451,325</u>	<u>3,719,291</u>	<u>267,966</u>	
Total Grant Projects Budgets	<u>17,373,200</u>	<u>14,708,282</u>	<u>14,976,248</u>	<u>267,966</u>	

Fiscal Year 2019 - 2020 Annual Operating Budget Ordinance

ANTICIPATED REVENUES	FY2019-2020 Adopted Budget	01.09.2020 FY2019-2020 Budget	03.23.2020 FY2019-2020 Budget	Net Increase (Decrease)
Program Revenues				
Restricted Intergovernmental Revenue	4,622,000	3,758,299	3,762,897	4,598
Technical Assistance Projects	600,000	832,099	897,151	65,052
Contracts and fees	18,000	23,280	23,280	-
Other Program Revenue	500,000	(1) 779,795	950,407	170,612
Transfers In/(Out)	-	13,274		(13,274)
Fund Balance Appropriated	-	13,613	13,613	-
Total Program Revenue	5,740,000	5,420,360	5,647,348	226,988
Other Revenues				
Member Dues Support	850,000	870,095	870,095	-
Interest and Other Revenue	150,000	(1) -	-	-
Total Other Revenues	1,000,000	870,095	870,095	-
TOTAL ANTICIPATED REVENUES	6,740,000	6,290,455	6,517,443	226,988
EXPENSE APPROPRIATIONS				
Board and Executive Committee	150,000	94,437	94,437	-
Management and Business Operations	1,800,000	1,752,138	1,759,334	7,196
Information Technology Division	110,000	131,741	136,741	5,000
Government Affairs and Member Engagement	-	76,406	99,142	22,736
Community and Economic Development	930,000	845,007	866,787	21,780
Planning Department	1,600,000	1,490,375	1,658,406	168,031
Area Agency on Aging	2,900,000	2,536,455	2,584,463	48,008
Workforce Development	1,000,000	1,174,238	1,167,770	(6,468)
Indirect Costs Representation	(1,750,000)	(1,810,342)	(1,849,637)	(39,295)
TOTAL EXPENSE APPROPRIATIONS	6,740,000	6,290,455	6,517,443	226,988

(1) regrouped income relating to workshops from administrative revenue to other program revenue.

**Centralina's April 2020 Excitave Board Meeting
Fiscal Year 2019 - 2020 Annual Operating Budget Ordinance
Proposed Amendment Adjustment Comments as of March 23, 2020**

Federal Revenue

Aging - LCA	8,008
Planning US DOE CC 20-21	3,058
WFD - net transfer to PT	(6,468)
	<u>4,598</u>

Technical Assistance Revenue

GAME - new contracts	16,320
CED - new contracts	21,780
Planning - new contracts	26,952
	<u>65,052</u>

Other revenue

GAME - correction of revenue source	(7,416)
Aging - conferences, workshop, research	40,000
Planning - RTP 20-21	120,565
Planning - other programs	17,463
	<u>170,612</u>
Transfers in/out - net	<u>(13,274)</u>

Total Revenue Increase

226,988

Expense Appropriations

Mgmt. & Business Operations - net budget reallocations	<u>7,196</u>
IT - budget reallocations	<u>5,000</u>
GAME - new contracts	16,320
GAME - budget reallocations	13,832
GAME - correction of revenue source	(7,416)
	<u>22,736</u>
CED - new contracts	<u>21,780</u>
Planning - new contracts	<u>168,031</u>
Aging - new contracts	8,008
Aging - conferences, workshop, research	40,000
	<u>48,008</u>
WFD - internal correction of awarded amounts	39,629
WFD - transfer to passthrough	(46,097)
	<u>(6,468)</u>
Indirect cost - reallocation due to new contracts	<u>(39,295)</u>

Total Expenses Increase

226,988



Centralina Council of Governments

Item 2



Board Agenda Item Cover Sheet

Board Meeting Date:	April 8, 2020	Agenda Item Type:	Consent:	X	Regular:	
Submitting Person:	Denise Strosser	Presentation Time (est.):	5 minutes			
Presenter at meeting:	Denise Strosser	Phone Number/Ext:	2704			
		Email:	dstrosser@centralina.org			
Alternate Contact Person:	Geraldine Gardner	Phone Number/Ext:	2703			
		Email:	ggardner@centralina.org			
Submitting Department:	Finance	Department Head Approval:				
Board Expectation: <i>(required action or responsibility expected from Board members)</i>						
The required action from the Executive Council members is approval of the audit engagement letter for the fiscal year ending June 30,2020.						
Description of Agenda Item: <i>(same wording as on agenda summary)</i>						
As required by Centralina bylaws Article IV: expenditures of the Council's general operating revenue obtained through member assessment and are in in amount of more than \$50,000 shall be submitted to and approved by the Executive Board of the Council.						
Background & Basis of Recommendations:						
Cherry Bekaert was contracted during the year ending 2017 and has prepared the audit for the past two years. There has been a good working relationship with the audit firm and it continues to grow. The fees for the past two years are as follow: 2017 – \$48,500 2020 - \$49,000 - projected 2018 – \$49,500 2021 - \$50,000 - projected 2019 – \$50,500 2022 - \$51,000 - projected						
Action / Recommendation:						
Approval by the Executive Council of the attached audit engagement letter.						
Time Sensitivity <i>(none or explain):</i>	Prior to April 13, 2020					
Budget Impact <i>(if applicable):</i>	None - Include in budget					
List of Attachments <i>(if any):</i>	Cherry Bekaert proposal to provide audit services and Audit Engagement Letter					

March 17, 2020

The Board of Delegates
Centralina Council of Governments
9815 David Taylor Drive
Charlotte, North Carolina 28262

This engagement letter between Centralina Council of Governments (hereafter referred to as the “Council” or “you” or “your” or “management”) and Cherry Bekaert LLP (the “Firm” or “Cherry Bekaert” or “we” or “us” or “our”) sets forth the nature and scope of the services we will provide, the Council’s required involvement and assistance in support of our services, the related fee arrangements, and other Terms and Conditions, which are attached hereto and incorporated by reference, designed to facilitate the performance of our professional services and to achieve the mutually agreed-upon objectives of the Council.

SUMMARY OF SERVICES

We will provide the following services to the Council as of and for the year ended June 30, 2020:

Audit and attestation services

1. We will audit the basic financial statements of the Council as of and for the year then ended June 30, 2020, including the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information.
2. We will audit the individual fund statements, budgetary schedules, other schedules, and the Schedule of Expenditures of Federal and State Awards. As part of our engagement, we will apply certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America (“U.S. GAAP”).
3. We will apply limited procedures to the required supplementary information (RSI), such as Management’s Discussion and Analysis (MD&A) and Required Supplementary information as listed in the table of contents of the financial statements which will consist of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the financial statements.

Nonattest accounting and other services

We will provide the following additional services:

1. Complete the appropriate sections of and sign the Data Collection Form.

YOUR EXPECTATIONS

As part of our planning process, we have discussed with you your expectations of Cherry Bekaert, changes that occurred during the year, your views on risks facing you, any relationship issues with Cherry Bekaert, and specific engagement arrangements and timing. Our services plan, which includes our audit plan, is designed to provide a foundation for an effective, efficient, and quality-focused approach to accomplish the engagement objectives and meet or exceed the Council's expectations. Our service plan will be reviewed with you periodically and will serve as a benchmark against which you will be able to measure our performance. Any additional services that you may request, and that we agree to provide, will be the subject of separate written arrangements.

The Council recognizes that our professional standards require that we be independent from the Council in our audit of the Council's financial statements and our accompanying report in order to ensure that our objectivity and professional skepticism have not been compromised. As a result, we cannot enter into a fiduciary relationship with the Council and the Council should not expect that we will act only with due regard to the Council's interest in the performance of this audit, and the Council should not impose on us special confidence that we will conduct this audit with only the Council's interest in mind. Because of our obligation to be independent of the Council, no fiduciary relationship will be created by this engagement or audit of the Council's financial statements.

The engagement will be led by Eddie Burke, who will be responsible for assuring the overall quality, value, and timeliness of the services provided to you.

AUDIT AND ATTESTATION SERVICES

The objective of our audit is the expression of opinions as to whether the Council's basic financial statements are fairly presented, in all material respects, in conformity with U.S. GAAP and to report on the fairness of the additional information referred to in the Summary of Services section when considered in relation to the basic financial statements taken as a whole. The objective also includes reporting on:

- Internal control over financial reporting and compliance with the provisions of applicable laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations and the provisions of contracts, or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and the State Single Audit Implementation Act.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Council's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance and the State Single Audit Implementation Act report

Centralina Council of Governments

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on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the State Single Audit Implementation Act. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with generally accepted auditing standards (“GAAS”); and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the provisions of Uniform Guidance; the Single Audit Act Amendments of 1996; State Single Audit Implementation Act and OMB *Guidance for Grants and Agreements* (2 CFR 200) and the State Single Audit Implementation Act and will include tests of accounting records, a determination of major programs in accordance with Uniform Guidance, and other procedures as deemed necessary to enable us to express such opinions. We will also issue written reports upon completion of our Single Audit. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add emphasis-of-matter or other-matter paragraphs. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express opinions or issue reports, or may withdraw from this engagement.

NONATTEST ACCOUNTING AND OTHER SERVICES

In connection with any of the audit, accounting, or other services noted below, we will provide a copy of all schedules or other support for you to maintain as part of your books and records supporting your basic financial statements. You agree to take responsibility for all documents provided by Cherry Bekaert and will retain copies based on your needs and document retention policies. By providing these documents to you, you confirm that Cherry Bekaert is not responsible for hosting your records or maintaining custody of your records or data and that Cherry Bekaert is not providing business continuity or disaster recovery services. You confirm you are responsible for maintaining internal controls over your books and records including business continuity and disaster recovery alternatives. In addition, any documents provided to Cherry Bekaert by the Council in connection with these services will be considered to be copies and will not be retained by Cherry Bekaert after completion of the accounting and other services. You are expected to retain anything you upload to a Cherry Bekaert portal and are responsible for downloading and retaining anything we upload in a timely manner. Portals are only meant as a method of transferring data, are not intended for the storage of client information, and may be deleted at any time. You are expected to maintain control over your accounting systems to include the licensing of applications and the hosting of said applications and data. We do not provide electronic security or back-up services for any of your data or records. Giving us access to your accounting system does not make us hosts of information contained within.

The accounting and other services described in this section are nonaudit services, which do not constitute audit services under *Government Auditing Standards*, and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming Council’s management responsibilities.

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In conjunction with providing these accounting and other services, we may use third party software or templates created by Cherry Bekaert for use on third party software. Management expressly agrees that the Council has obtained no rights to use such software or templates and that Cherry Bekaert's use of the Council's data in those applications is not deemed to be hosting, maintaining custody, providing business continuity, or disaster recovery services.

Data Collection Form

We will complete the appropriate sections of and sign the Data Collection Form that summarizes our audit findings. We will provide copies of our reports to the Council; however, it is the Council's management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the designated federal audit clearinghouse and, if appropriate, to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditors' reports or nine months after the end of the audit period.

Council's management responsibilities related to accounting and other services

For all nonattest services we perform in connection with the engagement, you are responsible for designating a competent employee to oversee the services, make any management decisions, perform any management functions related to the services, evaluate the adequacy of the services, retain relevant copies supporting your books and records, and accept overall responsibility for the results of the services.

Prior to the release of the report, the Council's management will need to sign a representation letter acknowledging its responsibility for the results of these services and acknowledging receipt of all appropriate copies.

COUNCIL'S MANAGEMENT RESPONSIBILITIES RELATED TO THE AUDIT

The Council's management is responsible for (1) designing, implementing, and maintaining effective internal controls, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that the Council's management and financial information is reliable and properly reported. The Council's management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal and State awards, and all accompanying information in conformity with U.S. GAAP; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationship in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

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The Council's management is responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which it is aware that is relevant to the preparation and fair presentation of the financial statements; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform guidance and the State Single Audit Implementation Act; (3) additional information that we may request for the purpose of the audit; and (4) unrestricted access to persons within the Council from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Council involving (1) the Council's management; (2) employees who have significant roles in internal control; and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Council received in communications from employees, former employees, grantors, regulators, or other. In addition, you are responsible for identifying and ensuring that the Council complies with applicable laws, regulations contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts; or grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance and the State Single Audit Implementation Act, it is the Council's management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan.

The Council's management is responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal and State awards (including notes and noncash assistance received) in conformity with the Uniform Guidance and the State Single Audit Implementation Act. You agree to include our report on the schedule of expenditures of federal and State awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal and State awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal and State awards that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal and State awards in accordance with the Uniform Guidance and the State Single Audit Implementation Act; (2) you believe the schedule of expenditures of federal and State awards, including its form and content, is stated fairly in accordance with the Uniform Guidance and the State Single Audit Implementation Act; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) the Council has disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal and State awards.

Centralina Council of Governments

March 17, 2020

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You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with U.S. GAAP. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with U.S. GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with U.S. GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

The Council's management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. The Council's management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing Council's management views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

The Council's management agrees to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal and State awards, and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, schedule of expenditures of federal and State awards, and related notes and that you have reviewed and approved the financial statements, schedule of expenditures of federal and State awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

MANAGEMENT REPRESENTATIONS

The Firm will rely on the Council's management providing the above noted representations to us, both in the planning and performance of the audit, and in considering the fees that we will charge to perform the audit.

FEES

The estimated fee contemplates only the services described in the Summary of Services section of this letter. If the Council's management requests additional services not listed above, we will provide an estimate of those fees prior to commencing additional work.

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The following summarizes the fees for the services described above:

<u>Description of Services</u>	<u>Estimated Fee</u>
Audit services	
Audit of the financial statements	\$ 49,000
Single Audit (per program)	3,500
Total	<u>\$ 52,500</u>

The fees will be billed periodically. Invoices are due on presentation. A service charge will be added to past due accounts equal to 1½% per month (18% annually) on the previous month's balance less payments received during the month, with a minimum charge of \$2.00 per month.

If the foregoing is in accordance with your understanding, please sign a copy of this letter in the space provided and return it to us. If you have any questions, please call Eddie Burke at (919) 782-1040.

Sincerely,

CHERRY BEKAERT LLP



ATTACHMENT – Engagement Letter Terms and Conditions

CENTRALINA COUNCIL OF GOVERNMENTS

ACCEPTED BY: _____

TITLE: _____ DATE: _____

Cherry Bekaert LLP
Engagement Letter Terms and Conditions

The following terms and conditions are an integral part of the attached engagement letter and should be read in their entirety in conjunction with your review of the letter.

LIMITATIONS OF THE AUDIT REPORT

Should the Council wish to include or incorporate by reference these financial statements and our report thereon into *any* other document at some future date, we will consider granting permission to include our report into another such document at the time of the request. However, we may be required by GAAS to perform certain procedures before we can give our permission to include our report in another document such as an annual report, private placement, regulator filing, official statement, offering of debt securities, etc. You agree that the Council will not include or incorporate by reference these financial statements and our report thereon, or our report into any other document without our prior written permission. In addition, to avoid unnecessary delay or misunderstandings, it is important to provide us with timely notice of your intention to issue any such document.

LIMITATIONS OF THE AUDIT PROCESS

In conducting the audit, we will perform tests of the accounting records and such other procedures as we consider necessary in the circumstances to provide a reasonable basis for our opinion on the financial statements. We also will assess the accounting principles used and significant estimates made by the Council's management, as well as evaluate the overall financial statement presentation.

Our audit will include procedures designed to obtain reasonable assurance of detecting misstatements due to errors or fraud that are material to the financial statements. Absolute assurance is not attainable because of the nature of audit evidence and the characteristics of fraud. For example, audits performed in accordance with GAAS are based on the concept of selective testing of the data being examined and are, therefore, subject to the limitation that material misstatements due to errors or fraud, if they exist, may not be detected. Also, an audit is not designed to detect matters that are immaterial to the financial statements. In addition, an audit conducted in accordance with GAAS does not include procedures specifically designed to detect illegal acts having an indirect effect (e.g., violations of fraud and abuse statutes that result in fines or penalties being imposed on the Council) on the financial statements.

Similarly, in performing our audit we will be aware of the possibility that illegal acts may have occurred. However, it should be recognized that our audit provides no assurance that illegal acts generally will be detected, and only reasonable assurance that illegal acts having a direct and material effect on the determination of financial statement amounts will be detected. We will inform you with respect to errors and fraud, or illegal acts that come to our attention during the course of our audit unless clearly inconsequential. In the event that we have to consult with the Council's counsel or counsel of our choosing regarding any illegal acts we identify, additional fees incurred may be billed to the Council. You agree that the Council will cooperate fully with any procedures we deem necessary to perform with respect to these matters.

We will issue a written report upon completion of our audit of the Council's financial statements. If, for any reason, we are unable to complete the audit, or are unable to form, or have not formed an opinion on the financial statements, we may decline to express an opinion or decline to issue a report as a result of the engagement. We will notify the appropriate party within your organization of our decision and discuss the reasons supporting our position.

AUDIT PROCEDURES – GENERAL

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve professional judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by the Council's management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors; (2) fraudulent financial reporting; (3) misappropriation of assets; or (4) violations of laws or governmental regulations that are attributable to the Council or to acts by the Council's management or employees acting on behalf of the Council. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of the Council's management of any material errors and fraud, or illegal acts that come to our attention during the course of our audit. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditor is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditor.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal and State awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by GAAS.

AUDIT PROCEDURES – INTERNAL CONTROLS

Our audit will include obtaining an understanding of the Council and its environment, including internal controls, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control, including cybersecurity, and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance and the State Single Audit Implementation Act, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance and the State Single Audit Implementation Act.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to the Council's management and those charged with governance internal control related matters that are required to be communicated under American Institute of Certified Public Accountants ("AICPA") professional standards, *Government Auditing Standards*, and the Uniform Guidance and the State Single Audit Implementation Act.

AUDIT PROCEDURES – COMPLIANCE

As part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we will perform tests of the Council's compliance with provisions of applicable laws and regulations, contracts and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance and the State Single Audit Implementation Act requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the Council's major programs. The purpose of these procedures will be to express an opinion on the Council's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance and the State Single Audit Implementation Act.

NONATTEST SERVICES

All nonattest services to be provided in the attached engagement letter (if applicable) shall be provided pursuant to the AICPA Code of Professional Conduct. The AICPA Code of Professional Conduct requires that we establish objectives of the engagement and the services to be performed, which are described under nonattest services in the attached letter.

You agree that the Council's designated individual will assume all the Council's management responsibilities for the nonattest services we provide; oversee the services by designating an individual, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them. In order to ensure we provide such services in compliance with all professional standards, the designated individual is responsible for:

- Making all financial records and related information available to us.
- Ensuring that all material information is disclosed to us.
- Granting unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.
- Identifying and ensuring that such nonattest services comply with the laws and regulations.

The accuracy and appropriateness of such nonattest services shall be limited by the accuracy and sufficiency of the information provided by the Council's designated individual. In the course of providing such nonattest services, we may provide professional advice and guidance based on knowledge of accounting, tax and other compliance, and of the facts and circumstances as provided by the Council's designated individual. Such advice and guidance shall be limited as permitted under the Code of Professional Conduct.

COMMUNICATIONS

At the conclusion of the audit engagement, we may provide the Council's management and those charged with governance, a letter stating any significant deficiencies or material weaknesses which may have been identified by us during the audit and our recommendations designed to help the Council make improvements in its internal control structure and operations related to the identified matters discovered in the financial statement audit. As part of this engagement, we will ensure that certain additional matters are communicated to the appropriate members of the Council. Such matters include (1) our responsibility under GAAS; (2) the initial selection of and changes in significant accounting policies and their application; (3) our independence with respect to the Council; (4) the process used by Council's management in formulating particularly sensitive accounting estimates and the basis for our conclusion regarding the reasonableness of those estimates; (5) audit adjustments, if any, that could, in our judgment, either individually or in the aggregate be significant to the financial statements or our report; (6) any disagreements with the Council's management concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements; (7) our views about matters that were the subject of the Council's management's consultation with other accountants about auditing and accounting matters; (8) major issues that were discussed with the Council's management in connection with the retention of our services, including, among other matters, any discussions regarding the application of accounting principles and auditing standards; and (9) serious difficulties that we encountered in dealing with the Council's management related to the performance of the audit.

We have attached a copy of the report on our most recent peer review.

OTHER MATTERS

Access to working papers

The working papers and related documentation for the engagement are the property of the Firm and constitute confidential information. We have a responsibility to retain the documentation for a period of time to satisfy legal or regulatory requirements for records retention. It is our policy to retain all workpapers and client information for seven years from the date of issuance of the report. It is our policy to retain emails and attachments to emails for a period of 12 months, except as required by any governmental regulation. Except as discussed below, any requests for access to our working papers will be discussed with you prior to making them available to requesting parties. Any parties seeking access to our working papers must agree to sign our standard access letter.

We may be requested to make certain documentation available to regulators, governmental agencies (e.g., SEC, PCAOB, HUD, DOL, etc.), or their representatives ("Regulators") pursuant to law or regulations. If requested, access to the documentation will be provided to the Regulators. The Regulators may intend to distribute to others, including other governmental agencies, our working papers and related documentation without our knowledge or express permission. You hereby acknowledge and authorize us to allow Regulators access to and copies of documentation as requested. In addition, our Firm, as well as all other major accounting firms, participates in a "peer review" program covering our audit and accounting practices as required by the AICPA. This program requires that once every three years we subject our quality assurance practices to an examination by another accounting firm. As part of the

process, the other firm will review a sample of our work. It is possible that the work we perform for the Council may be selected by the other firm for their review. If it is, they are bound by professional standards to keep all information confidential. If you object to having the work we do for you reviewed by our peer reviewer, please notify us in writing.

Electronic transmittals

During the course of our engagement, we may need to electronically transmit confidential information to each other, within the Firm, and to other entities engaged by either party. Although email is an efficient way to communicate, it is not always a secure means of communication and thus, confidentiality may be compromised. As an alternative, we recommend using our Client Portal ("Portal") to transmit documents. Portal allows the Council, us, and other involved entities to upload and download documents in a secure location. You agree to the use of email, Portal, and other electronic methods to transmit and receive information, including confidential information between the Firm, the Council, and other third party providers utilized by either party in connection with the engagement.

Use of third party providers

In the normal course of business, we may on occasion use the services of an independent contractor or a temporary or loaned employee, all of whom may be considered a third party service provider. On these occasions, we remain responsible for the adequate oversight of all services performed by the third party service provider and for ensuring that all services are performed with professional competence and due professional care. We will adequately plan and supervise the services provided by the third party service provider; obtain sufficient relevant data to support the work product; and review compliance with technical standards applicable to the professional services rendered. We will enter into a contractual agreement with the third party service provider to maintain the confidentiality of information and be reasonably assured that the third party service provider has appropriate procedures in place to prevent the unauthorized release of confidential information to others.

Subpoenas

In the event we are requested or authorized by the Council, or required by government regulation, subpoena, or other legal process to produce our working papers or our personnel as witnesses with respect to our engagement for the Council, the Council will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expense, as well as the fees and expenses of our counsel, incurred in responding to such a request at standard billing rates.

Dispute resolution procedures

If any dispute, controversy, or claim arises in connection with the performance or breach of this Agreement, either party may, on written notice to the other party, request that the matter be mediated. Such mediation would be conducted by a mediator acceptable to both parties. Both parties would exert their best efforts to discuss with each other in good faith their respective positions in an attempt to finally resolve such dispute, controversy, or claim.

Waiver of trial by jury

In the event the parties are unable to successfully mediate any dispute, controversy, or claim, the parties agree to WAIVE TRIAL BY JURY and agree that the court will hear any matter without a jury.

Independent contractor

Each party is an independent contractor with respect to the other and shall not be construed as having a trustee, joint venture, agency, or fiduciary relationship.

No third party beneficiaries

The parties do not intend to benefit any third party by entering into this Agreement, and nothing contained in this Agreement confers any right or benefit upon any person or entity who or which is not a signatory of this Agreement.

TERMS AND CONDITIONS SUPPORTING FEE

The estimated fees set forth in the attached engagement letter are based on anticipated full cooperation from the Council's personnel, timely delivery of requested audit schedules and supporting information, timely communication of all significant accounting and financial reporting matters, the assumption that unexpected circumstances will not be encountered during the audit, as well as working space and clerical assistance as mutually agreed-upon and as is normal and reasonable in the circumstances. We strive to ensure that we have the right professionals scheduled on each engagement. As a result, sudden Council requested scheduling changes or scheduling changes necessitated by the agreed information not being ready on the agreed-upon dates, can result in expensive downtime for our professionals. Any last minute schedule changes that result in downtime for our professionals, could result in additional fees. Our estimated fee does not include assistance in bookkeeping or other accounting services not previously described. If for any reason the Council is unable to provide such schedules, information, and assistance, the Firm and the Council will mutually revise the fee to reflect additional services, if any, required of us to achieve these objectives.

The estimated fees contemplate that the Council will provide adequate documentation of its systems and controls related to significant transaction cycles and audit areas.

In providing our services, we will consult with the Council with respect to matters of accounting, financial reporting, or other significant business issues as permitted by professional standards. Accordingly, time necessary to affect a reasonable amount of such consultation is reflected in our fee. However, should a matter require research, consultation, or audit work beyond that amount, the Firm and the Council will agree to an appropriate revision in our fee.

The estimated fees are based on auditing and accounting standards effective as of the date of this engagement letter and known to apply to the Council at this time, but do not include any time related to the application of new auditing or accounting standards that impact the Council for the first time. If new auditing or accounting standards are issued subsequent to the date of this letter and are effective for the period under audit, we will estimate the impact of any such standard on the nature, timing, and extent of our planned audit procedures and will communicate with the Council concerning the scope of the additional procedures and the estimated fees.

The Council agrees to pay all costs of collection (including reasonable attorneys' fees) that the Firm may incur in connection with the collection of unpaid invoices. In the event of nonpayment of any invoice rendered by us, we retain the right to (a) suspend the performance of our services, (b) change the payment conditions under this engagement letter, or (c) terminate our services. If we elect to suspend our services, such services will not be resumed until your account is paid. If we elect to terminate our services for nonpayment, the Council will be obligated to compensate us for all time expended and reimburse us for all expenses through the date of termination.

This engagement letter sets forth the entire understanding between the Council and the Firm regarding the services described herein and supersedes any previous proposals, correspondence, and understandings whether written or oral. Any subsequent changes to the terms of this letter, other than additional billings, will be rendered in writing and shall be executed by both parties. Should any portion of this engagement letter be ruled invalid, it is agreed that such invalidity will not affect any of the remaining portions.

January 21, 2020

Michelle Thompson
Cherry Bekaert LLP
2626 GLENWOOD AVE STE 200
RALEIGH, NC 27608-1367

Dear Michelle Thompson:

It is my pleasure to notify you that on January 15, 2020, the National Peer Review Committee accepted the report on the most recent System Review of your firm. The due date for your next review is October 31, 2022. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Thank you for your cooperation.

Sincerely,



Michael Fawley
Chair, National PRC
nprc@aicpa.org
+1.919.402.4502

National Peer Review Committee

cc: Marc Fogarty, David Bettler

Firm Number: 900010011816

Review Number: 568293

Report on the Firm's System of Quality Control

October 22, 2019

To the Partners of Cherry Bekaert LLP and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Cherry Bekaert LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended April 30, 2019. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards). A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under Government Auditing Standards, including compliance audits under the Single Audit Act; audits of employee benefit plans, an audit performed under FDICIA, an audit of broker-dealers, and an examination of service organizations [SOC 1 engagement].

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Cherry Bekaert LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended April 30, 2019, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of pass, pass with deficiency(ies) or fail. Cherry Bekaert LLP has received a peer review rating of pass.

EisnerAmper LLP
EisnerAmper LLP



The	Governing Board
of	Primary Government Unit (or charter holder)
and	Discretely Presented Component Unit (DPCU) (if applicable)

Primary Government Unit, together with DPCU (if applicable), hereinafter referred to as Governmental Unit(s)

and	Auditor Name
	Auditor Address

Hereinafter referred to as Auditor

for	Fiscal Year Ending	Audit Report Due Date
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Must be within four months of FYE

hereby agree as follows:

1. The Auditor shall audit all statements and disclosures required by U.S. generally accepted auditing standards (GAAS) and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit(s). The non-major combining, and individual fund statements and schedules shall be subjected to the auditing procedures applied in the audit of the basic financial statements and an opinion shall be rendered in relation to (as applicable) the governmental activities, the business- type activities, the aggregate DPCUs, each major governmental and enterprise fund, and the aggregate remaining fund information (non-major government and enterprise funds, the internal service fund type, and the fiduciary fund types).

2. At a minimum, the Auditor shall conduct his/her audit and render his/her report in accordance with GAAS. The Auditor shall perform the audit in accordance with *Government Auditing Standards* if required by the State Single Audit Implementation Act, as codified in G.S. 159-34. If required by OMB *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act, the Auditor shall perform a Single Audit. This audit and all associated audit documentation may be subject to review by Federal and State agencies in accordance with Federal and State laws, including the staffs of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit requires a federal single audit performed under the requirements found in Subpart F of the Uniform Guidance (§200.501), it is recommended that the Auditor and Governmental Unit(s) jointly agree, in advance of the execution of this contract, which party is responsible for submission of the audit and the accompanying data collection form to the Federal Audit Clearinghouse as required under the Uniform Guidance (§200.512).

If the audit and Auditor communication are found in this review to be substandard, the results of the review may be forwarded to the North Carolina State Board of CPA Examiners (NC State Board).

3. If an entity is determined to be a component of another government as defined by the group audit standards, the entity's auditor shall make a good faith effort to comply in a timely manner with the requests of the group auditor in accordance with AU-6 §600.41 - §600.42.
4. This contract contemplates an unmodified opinion being rendered. If during the process of conducting the audit, the Auditor determines that it will not be possible to render an unmodified opinion on the financial statements of the unit, the Auditor shall contact the LGC staff to discuss the circumstances leading to that conclusion as soon as is practical and before the final report is issued. The audit shall include such tests of the accounting records and such other auditing procedures as are considered by the Auditor to be necessary in the circumstances. Any limitations or restrictions in scope which would lead to a qualification should be fully explained in an attachment to this contract.
5. If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards*, 2018 revision, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he/she has met the requirements for a peer review and continuing education as specified in *Government Auditing Standards*. The Auditor agrees to provide a copy of the most recent peer review report to the Governmental Unit(s) and the Secretary of the LGC prior to the execution of an audit contract. Subsequent submissions of the report are required only upon report expiration or upon auditor's receipt of an updated peer review report. If the audit firm received a peer review rating other than pass, the Auditor shall not contract with the Governmental Unit(s) without first contacting the Secretary of the LGC for a peer review analysis that may result in additional contractual requirements.
- If the audit engagement is not subject to *Government Accounting Standards* or if financial statements are not prepared in accordance with U.S. generally accepted accounting principles (GAAP) and fail to include all disclosures required by GAAP, the Auditor shall provide an explanation as to why in an attachment to this contract or in an amendment.
6. It is agreed that time is of the essence in this contract. All audits are to be performed and the report of audit submitted to LGC staff within four months of fiscal year end. If it becomes necessary to amend this due date or the audit fee, an amended contract along with a written explanation of the delay shall be submitted to the Secretary of the LGC for approval.
7. It is agreed that GAAS include a review of the Governmental Unit's (Units') systems of internal control and accounting as same relate to accountability of funds and adherence to budget and law requirements applicable thereto; that the Auditor shall make a written report, which may or may not be a part of the written report of audit, to the Governing Board setting forth his/her findings, together with his recommendations for improvement. That written report shall include all matters defined as "significant deficiencies and material weaknesses" in AU-C 265 of the *AICPA Professional Standards (Clarified)*. The Auditor shall file a copy of that report with the Secretary of the LGC.
8. All local government and public authority contracts for audit or audit-related work require the approval of the Secretary of the LGC. This includes annual or special audits, agreed upon procedures related to internal controls, bookkeeping or other assistance necessary to prepare the Governmental Unit's (Units') records for audit, financial statement preparation, any finance-related investigations, or any other audit-related work in the State of North Carolina. Approval is not required on contracts and invoices for system improvements and similar services of a non-auditing nature.
9. Invoices for services rendered under these contracts shall not be paid by the Governmental Unit(s) until the invoice has been approved by the Secretary of the LGC. (This also includes any progress billings.) [G.S. 159-34 and 115C-447] All invoices for Audit work shall be submitted in PDF format to the Secretary of the LGC for approval. The invoice marked 'approved' with approval date shall be returned to

the Auditor to present to the Governmental Unit(s) for payment. This paragraph is not applicable to contracts for audits of hospitals.

10. In consideration of the satisfactory performance of the provisions of this contract, the Governmental Unit(s) shall pay to the Auditor, upon approval by the Secretary of the LGC if required, the fee, which includes any costs the Auditor may incur from work paper or peer reviews or any other quality assurance program required by third parties (federal and state grantor and oversight agencies or other organizations) as required under the Federal and State Single Audit Acts. This does not include fees for any pre-issuance reviews that may be required by the NC Association of CPAs (NCACPA) Peer Review Committee or NC State Board of CPA Examiners (see Item 13).

11. If the Governmental Unit(s) has/have outstanding revenue bonds, the Auditor shall submit to LGC staff, either in the notes to the audited financial statements or as a separate report, a calculation demonstrating compliance with the revenue bond rate covenant. Additionally, the Auditor shall submit to LGC staff simultaneously with the Governmental Unit's (Units') audited financial statements any other bond compliance statements or additional reports required by the authorizing bond documents, unless otherwise specified in the bond documents.

12. After completing the audit, the Auditor shall submit to the Governing Board a written report of audit. This report shall include, but not be limited to, the following information: (a) Management's Discussion and Analysis, (b) the financial statements and notes of the Governmental Unit(s) and all of its component units prepared in accordance with GAAP, (c) supplementary information requested by the Governmental Unit(s) or required for full disclosure under the law, and (d) the Auditor's opinion on the material presented. The Auditor shall furnish the required number of copies of the report of audit to the Governing Board upon completion.

13. If the audit firm is required by the NC State Board, the NCACPA Peer Review Committee, or the Secretary of the LGC to have a pre-issuance review of its audit work, there shall be a statement in the engagement letter indicating the pre-issuance review requirement. There also shall be a statement that the Governmental Unit(s) shall not be billed for the pre-issuance review. The pre-issuance review shall be performed prior to the completed audit being submitted to LGC Staff. The pre-issuance review report shall accompany the audit report upon submission to LGC Staff.

14. The Auditor shall submit the report of audit in PDF format to LGC Staff. For audits of units other than hospitals, the audit report should be submitted when (or prior to) submitting the final invoice for services rendered. The report of audit, as filed with the Secretary of the LGC, becomes a matter of public record for inspection, review and copy in the offices of the LGC by any interested parties. Any subsequent revisions to these reports shall be sent to the Secretary of the LGC along with an Audit Report Reissued Form (available on the Department of State Treasurer website). These audited financial statements, excluding the Auditors' opinion, may be used in the preparation of official statements for debt offerings by municipal bond rating services to fulfill secondary market disclosure requirements of the Securities and Exchange Commission and for other lawful purposes of the Governmental Unit(s) without requiring consent of the Auditor. If the LGC Staff determines that corrections need to be made to the Governmental Unit's (Units') financial statements, those corrections shall be provided within three business days of notification unless another deadline is agreed to by LGC staff.

15. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than necessary under ordinary circumstances, the Auditor shall inform the Governing Board in writing of the need for such additional investigation and the additional compensation required therefore. Upon approval by the

Secretary of the LGC, this contract may be modified or amended to include the increased time, compensation, or both as may be agreed upon by the Governing Board and the Auditor.

16. If an approved contract needs to be modified or amended for any reason, the change shall be made in writing, on the Amended LGC-205 contract form and pre-audited if the change includes a change in audit fee (pre-audit requirement does not apply to charter schools or hospitals). This amended contract shall be completed in full, including a written explanation of the change, signed and dated by all original parties to the contract. It shall then be submitted to the Secretary of the LGC for approval. No change to the audit contract shall be effective unless approved by the Secretary of the LGC, the Governing Board, and the Auditor.

17. A copy of the engagement letter, issued by the Auditor and signed by both the Auditor and the Governmental Unit(s), shall be attached to this contract, and except for fees, work, and terms not related to audit services, shall be incorporated by reference as if fully set forth herein as part of this contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract shall take precedence. Engagement letter terms that conflict with the contract are deemed to be void unless the conflicting terms of this contract are specifically deleted in Item 28 of this contract. Engagement letters containing indemnification clauses shall not be accepted by LGC Staff.

18. Special provisions should be limited. Please list any special provisions in an attachment.

19. A separate contract should not be made for each division to be audited or report to be submitted. If a DPCU is subject to the audit requirements detailed in the Local Government Budget and Fiscal Control Act and a separate audit report is issued, a separate audit contract is required. If a separate report is not to be issued and the DPCU is included in the primary government audit, the DPCU shall be named along with the parent government on this audit contract. DPCU Board approval date, signatures from the DPCU Board chairman and finance officer also shall be included on this contract.

20. The contract shall be executed, pre-audited (pre-audit requirement does not apply to charter schools or hospitals), and physically signed by all parties including Governmental Unit(s) and the Auditor, then submitted in PDF format to the Secretary of the LGC.

21. The contract is not valid until it is approved by the Secretary of the LGC. The staff of the LGC shall notify the Governmental Unit and Auditor of contract approval by email. The audit should not be started before the contract is approved.

22. Retention of Client Records: Auditors are subject to the NC State Board of CPA Examiners' Retention of Client Records Rule 21 NCAC 08N .0305 as it relates to the provision of audit and other attest services, as well as non-attest services. Clients and former clients should be familiar with the requirements of this rule prior to requesting the return of records.

23. This contract may be terminated at any time by mutual consent and agreement of the Governmental Unit(s) and the Auditor, provided that (a) the consent to terminate is in writing and signed by both parties, (b) the parties have agreed on the fee amount which shall be paid to the Auditor (if applicable), and (c) no termination shall be effective until approved in writing by the Secretary of the LGC.

24. The Governmental Unit's (Units') failure or forbearance to enforce, or waiver of, any right or an event of breach or default on one occasion or instance shall not constitute the waiver of such right, breach or default on any subsequent occasion or instance.

25. There are no other agreements between the parties hereto and no other agreements relative hereto that shall be enforceable unless entered into in accordance with the procedure set out herein and approved by the Secretary of the LGC.

26. E-Verify. Auditor shall comply with the requirements of NCGS Chapter 64 Article 2. Further, if Auditor utilizes any subcontractor(s), Auditor shall require such subcontractor(s) to comply with the requirements of NCGS Chapter 64, Article 2.

27. For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct and Governmental Auditing Standards, 2018 Revision (as applicable). Financial statement preparation assistance shall be deemed a "significant threat" requiring the Auditor to apply safeguards sufficient to reduce the threat to an acceptable level. If the Auditor cannot reduce the threats to an acceptable level, the Auditor cannot complete the audit. If the Auditor is able to reduce the threats to an acceptable level, the documentation of this determination, including the safeguards applied, must be included in the audit workpapers.

All non-attest service(s) being performed by the Auditor that are necessary to perform the audit must be identified and included in this contract. The Governmental Unit shall designate an individual with the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the services and accept responsibility for the results of the services performed. If the Auditor is able to identify an individual with the appropriate SKE, s/he must document and include in the audit workpapers how he/she reached that conclusion. If the Auditor determines that an individual with the appropriate SKE cannot be identified, the Auditor cannot perform both the non-attest service(s) and the audit. See "Fees for Audit Services" page of this contract to disclose the person identified as having the appropriate SKE for the Governmental Unit.

28. Applicable to charter school contracts only: No indebtedness of any kind incurred or created by the charter school shall constitute an indebtedness of the State or its political subdivisions, and no indebtedness of the charter school shall involve or be secured by the faith, credit, or taxing power of the State or its political subdivisions.

29. All of the above paragraphs are understood and shall apply to this contract, except the following numbered paragraphs shall be deleted (See Item 16 for clarification).

30. The process for submitting contracts, audit reports and invoices is subject to change. Auditors and units should use the submission process and instructions in effect at the time of submission. Refer to the N.C. Department of State Treasurer website at <https://www.nctreasurer.com/slg/Pages/Audit-Forms-and-Resources.aspx>.

31. All communications regarding audit contract requests for modification or official approvals will be sent to the email addresses provided on the signature pages that follow.

32. Modifications to the language and terms contained in this contract form (LGC-205) are not allowed.

SIGNATURE PAGE

AUDIT FIRM

Audit Firm*	
Authorized Firm Representative (typed or printed)*	Signature* <i>Cherry Roubert LLP</i>
Date*	Email Address*

GOVERNMENTAL UNIT

Governmental Unit*	
Date Primary Government Unit Governing Board Approved Audit Contract* (G.S.159-34(a) or G.S.115C-447(a))	
Mayor/Chairperson (typed or printed)*	Signature*
Date	Email Address

Chair of Audit Committee (typed or printed, or "NA")	Signature
Date	Email Address

GOVERNMENTAL UNIT – PRE-AUDIT CERTIFICATE

Required by G.S. 159-28(a1) or G.S. 115C-441(a1).
Not applicable to hospital contracts.

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

Primary Governmental Unit Finance Officer* (typed or printed)	Signature*
Date of Pre-Audit Certificate*	Email Address*

**SIGNATURE PAGE – DPCU
(complete only if applicable)**

DISCRETELY PRESENTED COMPONENT UNIT

DPCU*	
Date DPCU Governing Board Approved Audit Contract* (Ref: G.S. 159-34(a) or G.S. 115C-447(a))	
DPCU Chairperson (typed or printed)*	Signature*
Date*	Email Address*

Chair of Audit Committee (typed or printed, or "NA")	Signature
Date	Email Address

DPCU – PRE-AUDIT CERTIFICATE

Required by G.S. 159-28(a1) or G.S. 115C-441(a1).
Not applicable to hospital contracts.

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

DPCU Finance Officer (typed or printed)*	Signature*
Date of Pre-Audit Certificate*	Email Address*

Remember to print this form, and obtain all required signatures prior to submission.



Centralina Council of Governments

Item 3



**Executive Board Conference Call Meeting Minutes
March 18, 2020**

Officers Present	Delegates Present	Delegates Not Present	Centralina Staff
Bobby Compton, Chairman Jay McCosh, Vice Chairman Jarvis Woodburn, Secretary William Morgan, Treasurer	Deloris Chambers Larken Egleston Martha Sue Hall Gene Houpe Autumn Michael Pedro Morey Rich Permenter Troy Selberg Ronnie Worley	Zach Almond Bill Feather Trevor Fuller Lynn Shue Jim Watson	Geraldine Gardner Katie Kutcher Debi Lee Linda Miller Denise Strosser Kelly Weston <i>Guests</i> Leslie Mazingo, Strategies Consulting

Call to Order

Chairman Bobby Compton, Town of Mooresville, called the meeting to order.

Kelly Weston, Clerk to the Board, called roll and confirmed that a quorum was present.

Invocation

Chairman Compton gave the invocation.

Amendments to the Agenda

Chairman Compton noted that the Regional Update would be taken as the first agenda item. He also noted that the motion for the Federal Relations Update had been amended to add COVID-19 response to the Federal Action Plan. He further noted that the Fiscal Forecast was amended to include the motion reflected in the agenda packet.

Mayor Pro Tem Martha Sue Hall, City of Albemarle, made a motion to adopt the agenda as amended. Treasurer William Morgan, City of Statesville, seconded the motion and it carried unanimously.

Regional Update

Geraldine Gardner, Executive Director, reported on regional coordination efforts in response to COVID-19. She noted that CCOG has been sharing information and updates to county, city, and town managers. She added that the next update will include a federal legislation briefing summary for managers and CCOG Delegates. She noted that CCOG is working with the Charlotte Regional Business Alliance to disseminate information through its webpage. She also noted that staff has been in touch with managers in communities where CCOG has active technical assistance contracts and has discussed how those services will continue. She further noted that the seven NCWorks Career Centers CCOG operates will close on March 19th.

Linda Miller, Aging Director, provided an update on COVID-19 response efforts in support of older and disabled adults and service providers. She noted that the Regional Ombudsmen have suspended visits to

facilities and are managing cases via phone. She also noted that home-delivered meals continue, while congregate meal programs have transitioned to delivery.

Consent Agenda

Approval of the November 13, 2019 and January 8, 2020 Executive Board Meeting Minutes

Mayor Pro Tem Hall made a motion to approve the Consent Agenda. The motion was seconded and carried unanimously.

Regular Business Agenda

Federal Relations Update

Leslie Mozingo, Strategics Consulting, presented an update on the federal response to COVID-19, including an overview of pending legislation and the economic stimulus phase.

In response to a question from Commissioner Rich Permenter, Lincoln County, Ms. Mozingo explained that local governments should keep records and provide documentation to accompany their requests for federal funding from the Federal Emergency Management Agency. She added that requests from the U.S. Department of Health and Human Services will be made through county health departments.

In response to a question from Treasurer Morgan, Ms. Mozingo explained that federal grants and programs that have already been funded for FY20 will continue, adding that communities should still submit grant applications.

Ms. Mozingo presented the federal relations performance metrics report for January through February 2020. She noted that she and Ms. Gardner attended meetings in Washington, DC in February.

In response to a question from Chairman Compton, Ms. Gardner explained that the proposed Executive Board trip to Washington, DC will be postponed until next spring.

Commissioner Ronnie Worley, Gaston County, made a motion to accept the Strategics Consulting performance reports for November through December 2019 and January through February 2020, and to approve the 2020 Federal Action Plan with the addition of language supporting COVID-19 response funding and coordination. Secretary Jarvis Woodburn, Anson County, seconded the motion and it carried unanimously.

Fiscal Forecast Presentation

Denise Strosser, Finance Director, explained that CCOG's current fund balance policy approved in 2010 recommends a minimum of 15% of operating expenses remain in the organization's fund balance. She noted that CCOG experienced a decrease in fund balance between 2014 and 2015 due to CabAire litigation. She presented a comparison of CCOG's fund balance and the fund balances of other large COGs in the state. She noted that in 2019, CCOG's fund balance was above 10% for the first time since 2013. She also explained that the fund balance gives the organization support for its monthly expenses. She added that CCOG currently has \$350,000 cash in the bank, which is equal to one month of expenses. She presented three options for moving forward: 1) reducing expenses; 2) establishing a fund balance reserve in the annual budget; and 3) increasing membership dues. She added that staff would like to work with the Finance Committee to explore these three options.

In response to questions from Commissioner Permenter, Ms. Strosser explained that CCOG currently achieves its fund balance using a capital expenses line item in the annual budget. She also explained that the organization's current membership assessment rate is \$0.24 per capita, and this rate has not increased since 2010. She added that a \$0.01 increase in the rate would increase revenues by \$37,000.

Treasurer Morgan noted that it is necessary to explore all the options for increasing fund balance, adding that the Board does not need to decide during the meeting.

Mayor Pro Tem Hall noted that populations will increase after the 2020 Census. She cautioned against increasing membership dues, adding that the General Assembly has started stripping away local governments' taxing authority. She suggested that CCOG's marketing efforts illustrate the return on investment for member governments. She added that the organization should not solicit donations from member governments.

In response to questions from Secretary Woodburn, Ms. Gardner explained that achieving a fund balance goal of 15% will be a multiyear progression that will require a multi-pronged approach. She also explained that the goal of the path forward would be to not negatively impact staff.

Mayor Pro Tem Hall made a motion to affirm the current fund balance policy and direct the Finance Committee to work with staff to develop recommendations to the Board for increasing the fund balance to 15%. Treasurer Morgan seconded the motion and it carried unanimously.

CCOG Name Change Discussion

Ms. Gardner presented a summary of the rebranding process so far. She noted that at its January meeting, the Executive Board directed her to explore the name change process. She presented three options for changing CCOG's name: 1) a full name change; 2) a "doing business as" (DBA) designation; and 3) a hybrid approach involving an immediate DBA and a full name change in FY21.

In response to a question from Council Member Larken Egleston, City of Charlotte, Ms. Gardner explained that there is variation in the names of other COGs in the state, adding that some use "regional council" or "commission" in their titles.

Mayor Pro Tem Hall noted that other COGs may also consider name changes in the future since the word "government" is frowned upon.

In response to questions from Commissioner Pedro Morey, Town of Waxhaw, Ms. Gardner explained that the total cost of the rebranding was \$86,000, which also includes an overhaul of the organization's website. She also explained that last year CCOG conducted a strategic review that showed that the organization needed to improve the way it markets its services. She added that the rebranding is a long-term investment designed to help with marketing efforts.

Chairman Compton added that the rebranding is a way to retain and hopefully gain new member governments.

Council Member Troy Selberg, Town of Harrisburg, made a motion to approve Option 3 to proceed with a process to change the organization's name to the Centralina Regional Council, which includes authorizing the Executive Director to work with CCOG legal counsel to file a "doing business as" designation to utilize "Centralina Regional Council" as the organization's name for internal and external purposes. Secretary Woodburn seconded the motion and it carried unanimously.

Commissioner Gene Houpe, Iredell County, requested that staff identify what services other COGs offer that CCOG does not and instances when member governments have sought the assistance of other COGs for those services. He added that this information could be helpful in retaining and attracting members.

Chairman's At-Large Appointments to the Executive Board

Chairman Compton reported that he has selected Mayor Pro Tem Hall and Mayor Darrell Hinnant, City of Kannapolis, to fill the two at-large seats on the Executive Board.

Executive Board members expressed their consent to the appointments.

Comments from the Executive Board and CCOG Staff

Mayor Pro Tem Hall thanked everyone for being on the call. She thanked Ms. Gardner for allowing staff to telework.

Commissioner Permenter noted that he appreciated the call as well, adding that it was functional and a good use of technology.

Comments from the Chair

Chairman Compton noted that the next Executive Board meeting is scheduled for April 8th at 6:30 pm and will be held via conference call due to CCOG's telework status. He asked for the Executive Board's feedback on moving the meeting to an earlier time.

The Executive Board members indicated that they would like the meeting to be held earlier.

Commissioner Ronnie Worley made a motion to change the meeting time of the April 8th Executive Board meeting to 5:00 pm. Secretary Woodburn seconded the motion and it was carried unanimously.

Commissioner Houpe requested that Ms. Mozingo keep the Board updated on potential federal grant funding that could be impacted by the COVID-19 stimulus package.

Comments from the Executive Director

There were no additional comments from the Executive Director.

Adjournment

With no further business to be discussed, Chairman Compton adjourned the meeting at 8:05 p.m.



Centralina Council of Governments

Item 4



Board Agenda Item Cover Sheet

Board Meeting Date:	April 8, 2020	Agenda Item Type:	Consent:		Regular:	X
Submitting Person:	Geraldine Gardner	Presentation Time:	30 minutes			
Presenter at Meeting:	Geraldine Gardner and Staff	Phone Number:	704-348-2703			
		Email:	Ggardner@centralina.org			
Alternate Contact:	Kelly Weston	Phone Number:	704-348-2728			
		Email:	kweston@centralina.org			
Submitting Department:	Govt. Affairs & Member Engagement	Department Head Approval:				
Description of Agenda Item:						
The Executive Director and CCOG Department Directors will provide an update on COVID-19 novel coronavirus regional coordination, response and engagement.						
Background & Basis of Recommendations:						
The purpose of this briefing is to share information with the Executive Board about important regional coordination efforts that Centralina is engaged in and share updates on specific services impacted by the COVID-19 novel coronavirus.						
Requested Action / Recommendation:						
Receive as information.						
Time Sensitivity: <i>(none or explain)</i>	None					
Budget Impact: <i>(none or explain)</i>	None					
Attachments: <i>(none or list)</i>	Regional Update Memo					



Centralina Council of Governments

Item 5



Board Agenda Item Cover Sheet

Board Meeting Date:	April 8, 2020	Agenda Item Type:	Consent:		Regular:	X
Submitting Person:	Kelly Weston	Presentation Time:	10 minutes			
Presenter at Meeting:	Leslie Mozingo	Phone Number:	202-255-5760			
		Email:	Leslie@strategics.consulting			
Alternate Contact:	Geraldine Gardner	Phone Number:	704-348-2703			
		Email:	ggardner@centralina.org			
Submitting Department:	Gov. Affairs & Member Engagement	Department Head Approval:	Geraldine Gardner			
Description of Agenda Item:						
CCOG's federal relations consultant, Leslie Mozingo, will present an update on the organization's federal relations efforts, including a performance report of activities for March 2020.						
Background & Basis of Recommendations:						
Since 2015, the Executive Board has contracted with Strategics Consulting for federal relations consulting services. The Executive Board has requested that Ms. Mozingo present performance metrics reports at each of its meetings.						
Requested Action / Recommendation:						
Motion to accept the Strategics Consulting performance report for March 2020.						
Time Sensitivity: <i>(none or explain)</i>	None.					
Budget Impact: <i>(none or explain)</i>	None.					
Attachments: <i>(none or list)</i>	Strategics Performance Report – March 2020					



GOALS AND ACTIVITIES FOR STRATEGICS CONSULTING MARCH 2020 REPORT

- 1. Build, maintain and enhance relationships with Members of Congress and the federal agencies**
 - Worked on COVID-19 concerns with congressional offices.
 - Communications regarding passage of Older Americans Act.
 - Attended DC conferences for National Association of Counties and National League of Cities.

- 2. Develop advocacy strategies around the approved CCOG Federal Action Plan on regional priorities and implement in coordination with CCOG management**
 - Provided update on advocacy work during March 18 Executive Board meeting.

- 3. Provide information and support related to federal grant opportunities in coordination with CCOG staff**
 - Provided Grants Alerts through March 19 and again through March 31, as well as prepared quarterly update to the Annual Forecast.
 - Participated in Grants Workshop on March 18.
 - Sent separate alert on four USDA grants related to farmers markets, expanding access and promoting local and regional fresh foods, and to better reach SNAP recipients.

- 4. Respond to trouble shooting requests from members and CCOG on federal issues**
 - Prepared detailed memos on federal funding and other emergency response efforts related to COVID-19.
 - Researched and provided updates on federal COVID-19 efforts to Aging staff.
 - Provided latest updates to Regional Managers meeting on federal COVID-19 response and followed-up on questions.
 - Provided feedback on possible advocacy response to Clean Cities Coalition's Buy America issue.
 - Finished research and collecting bids for grant writer.

For more information, contact Leslie Mozingo at (202) 255-5760 or leslie@strategics.consulting.



Centralina Council of Governments

Item 6



Board Agenda Item Cover Sheet

Board Meeting Date:	April 8, 2020	Agenda Item Type:	Consent:	Regular:
Submitting Person:	Geraldine Gardner	Presentation Time:		
Presenter at Meeting:	Geraldine Gardner and Staff	Phone Number:	704-348-2703	
		Email:	Ggardner@centralina.org	
Alternate Contact:	Kelly Weston	Phone Number:	704-348-2728	
		Email:	kweston@centralina.org	
Submitting Department:		Department Head Approval:		
Description of Agenda Item:				
<p>The Executive Board will consider amendments to the Personnel Policy Manual to add Administrative Leave with Pay. The Executive Director is also providing notice to the Board that she has issued new policies to conform with Federal guidelines in the Families First Coronavirus Response Act; these policies went into effect on April 1, 2020.</p>				
Background & Basis of Recommendations:				
<p>Item 1: Administrative Leave with Pay:</p> <p><u>Justification:</u> Adding this leave category would enable CCOG to charge to federal grants under an emergency closure situation, like a pandemic. Under the Uniform Guidance, federal grant funds may be used to pay for different types of leave (e.g., sick, emergency closures, etc.) so long as the grant recipient follows the criteria for a leave policy as set forth in the Uniform Guidance. Emergency closures could include a temporary reduction in staffing due to the Coronavirus.</p> <p>The Uniform Guidance specifically states that the cost of leave may be charged to federal grants if: (i) the leave is provided under established written leave policies; (ii) the costs are equitably allocated to all related activities; and (iii) the organization uses a consistent accounting basis for costing each type of leave. 45 C.F.R. § 72.431(b). The costs must also meet the basic considerations for cost allowability in 45 C.F.R. §§ 75.402-411 (requiring that costs be necessary, reasonable, and allocable).</p> <p><u>Proposed Language:</u></p> <p>Administrative Leave with Pay:</p> <p>The Executive Director or his/her designee has the authority to authorize administrative leave with pay in situations that warrant emergency closures such as in national emergencies, natural disasters, pandemics, civil disturbances or in other circumstances as when such leave is in the best interest of the organization and ensures operational continuity. Such leave shall be for a duration of time determined by the Executive Director or his/her designee or as authorized by public health authorities or other officials. The Executive Director or his/her designee shall be responsible for implementing a plan for business continuity during an emergency closure to ensure essential business functions are maintained.</p>				



Item 2: New Policies to comply with Families First Coronavirus Response Act

The Families First Coronavirus Response Act is now in effect and provides employees with Emergency Paid Sick Leave and an expanded Emergency Family Medical Leave. CCOG must comply with all mandated regulations regarding leave and as an employer with less than 500 employees. CCOG has updated its Personnel Manual to reflect federal guidelines and issued guidance to staff.

Requested Action / Recommendation:

Motion to approve adding Administrative Leave with Pay as a leave category to the CCOG Personnel Manual and to affirm that the Coronavirus Pandemic is a qualifying situation for an emergency closure if designated by the Executive Director at a future date.

Time Sensitivity: <i>(none or explain)</i>	Urgent
Budget Impact: <i>(none or explain)</i>	None
Attachments: <i>(none or list)</i>	None