

Chairman Bobby Compton will convene a meeting of the Centralina Executive Board **on Wednesday, April 12, 2023, at 5:00 pm.** The meeting will be held in person at the Centralina office (located at 10735 David Taylor Dr., Suite 250, Charlotte, NC 28262) with a virtual attendance option via Zoom.

Time	Item	Presenter
5:00 p.m.	<b>Call to Order</b>	Bobby Compton
	<b>Roll Call</b>	
	<b>Moment of Silence</b>	
	<b>Amendments to the Agenda</b> (if any)	
<p><b>Consent Items:</b> Consent agenda items may be considered in one motion and without discussion except for those items removed by a Board Member.</p>		
5:05 p.m. Item 1 5 minutes <i>Pages 5-11</i>	<p><b>Approval of March 8, 2023, Executive Board Meeting Minutes</b> Approval of March 8, 2023, Executive Board Meeting Minutes. The minutes from March 8, 2023, meeting has been distributed to all members of the Executive Board and should be approved if correct.</p> <p><b>Action/Recommendation:</b> <i>Motion to approve the March 8, 2023, Executive Board meeting minutes.</i></p>	Bobby Compton
Item 2 <i>Pages 13-14</i>	<p><b>Centralina Economic Development District Board Appointments</b> The Executive Board will review and approve recommendations for CEDD Board Appointments so that vacant seats can be filled ahead of the April 20th CEDD Board Meeting.</p> <p><b>Action/Recommendation:</b> <i>Motion to approve the recommendations of CEDD Board Appointees.</i></p>	Narissa Claiborne
Item 3 <i>Pages 16-19</i>	<p><b>FY22-23 Budget Amendment:</b> The Executive Board will review and approve the FY22-23 budget amendments for the operating and grant budgets.</p> <p><b>Action/Recommendation:</b> <i>Motion to approve the FY22-23 budget amendments for the operating and grant budgets.</i></p>	Denise Strosser
Item 4 <i>Pages 21 - 87</i>	<p><b>FY23-24 Employee Compensation Adjustment and Personnel Policy Amendments</b> It has been Centralina's practice to receive authorization from the Executive Board for the implementation of employee compensation increases each fiscal year; the compensation adjustments have already been budgeted in the FY23-24 placeholder budget and approved by the Board of Delegates on February 8, 2023. The purpose of this agenda item is to inform the Executive Board of the details of the FY23-24 compensation approach and seek approval of personnel policy modifications that clarify the organization's compensation approach.</p>	Geraldine Gardner

Time	Item	Presenter
	<p><b>Action/Recommendation:</b> <i>Motion to approve the FY23-24 Employee Compensation Adjustment and Personnel Policy Amendments.</i></p>	
<b>Regular Business</b>		
<p><b>5:10 p.m.</b> <b>Item 5</b> 5 minutes <i>Pages 89-91</i></p>	<p><b>Centralina Spotlight: Planning – Updates to plans, and codes for 160D</b> Centralina staff will provide a short portrait of our work in the region related to the numerous land use plan updates and municipal code updates that were performed after the State's adoption of Chapter 160D</p> <p><b>Action/Recommendation:</b> <i>Receive as presentation.</i></p>	Michelle Nance
<p><b>5:15 p.m.</b> <b>Item 6</b> 10 minutes <i>Pages 93-164</i></p>	<p><b>Contract Placeholder – Audit Contract</b> The Executive Board will review and approve the Finance Committee's recommendation to award the next multi-year audit contract to Cherry Bekeart and to authorize the Executive Director to enter into a contract with said firm</p> <p><b>Action/Recommendation:</b> Motion to approve Finance Committee's recommendation of Cherry Bekaert as Centralina's auditor and to authorize the Executive Director to enter into a contract with the said firm for a four year term in an amount not to exceed \$182,000 plus any additional single audit fees if applicable annually.</p>	Denise Strosser
<p><b>5:25 p.m.</b> <b>Item 7</b> 10minutes <i>Pages 166-168</i></p>	<p><b>Federal Relations Update</b> Leslie Mozingo, Strategics Consulting, will present an update on Centralina's federal relations efforts, including a performance report of activities for January- March 2023.</p> <p><b>Action/Recommendation:</b> <i>Motion to approve the Strategic Consulting Performance Reports for January-February 2023 and March 2023.</i></p>	Leslie Mozingo
<p><b>5:35 p.m.</b> <b>Item 8</b> 10 minutes <i>Pages 170-178</i></p>	<p><b>Centralina Tax Status Documentation Discussion</b> The Executive Board is asked to determine the next steps to be taken, if any, to document Centralina's tax-exempt status as a government instrumentality under U.S. Code § 115(1).</p> <p><b>Action/Recommendation:</b> <i>Due to the costs of the PLR, staff recommends to the Board that we take no further action other than preparing detailed internal records and memos to the file for future reference.</i></p>	Geraldine Gardner

Time	Item	Presenter
<b>5:45 p.m.</b> <b>Item 9</b> 15 minutes <i>Pages 180-182</i>	<b>Broadband and Digital Inclusion Update</b> Centralina received the BAND-NC grant which is funded by the Institute for Emerging Issues (IEI) at NC State to address the digital divide across the region and promote digital equity.  <b>Action/Recommendation</b> <i>Receive as Information</i>	Christina Danis and Anna Lu Wilson
<b>6:00 p.m.</b> <b>Item 10</b> 15 minutes <i>Pages 184-187</i>	<b>USAgging Aging and Disability Vaccination Collaboration Vaccine Grant Award Revisit</b> The Centralina Area Agency on Aging has been awarded \$295,750 in federal funds by the USAgging Aging and Disability Vaccination Collaborative. Based on feedback from the Executive Board, Centralina has adjusted the grant scope to focus on influenza and shingles vaccination activities only. Funds will support staff salaries to educate, inform, conduct outreach, and assist older and disabled adults with procuring vaccinations as requested.  <b>Action/Recommendation</b> <i>Request a motion to accept the USAgging Aging and Disability Vaccination Collaboration Vaccine grant award in the amount of \$295,750 with amended grant activities and scope of work for influenza and shingles vaccines only</i>	Linda Miller
<b>6:15 p.m.</b> 5 minutes	<b>Comments from the Executive Board and Centralina Staff</b>	Board Members and Staff
<b>6:20 p.m.</b> 5 minutes	<b>Comments from the Executive Director</b>	Geraldine Gardner
<b>6:25 p.m.</b> 5 minutes	<b>Comments from the Chair</b>	Bobby Compton
<b>6:30 p.m.</b>	<b>Adjournment</b>	Bobby Compton

Centralina Regional Council complies with the Americans with Disabilities Act (ADA), which prohibits discrimination on the basis of disability. Centralina Regional Council will make reasonable accommodations in all programs/services to enable participation by an individual with a disability who meets essential eligibility requirements. Centralina Regional Council's programs will be available in the most integrated setting for each individual. If any accommodation is necessary for participation, please



# **CENTRALINA**

## **REGIONAL COUNCIL**

### **Item 1**



**Executive Board Virtual Meeting Minutes  
March 8, 2023**

Officers Present	Board Members Present	Board Members Not Present	Centralina Staff and Guests Present
Bobby Compton, Chairman Jay McCosh, Vice Chairman Jarvis Woodburn, Secretary	Donte Anderson Patricia Crump Cathy Davis Martha Sue Hall Brian Helms Corinthia Lewis-Lemon Tony Long Jerry Oxsher Elaine Powell Shawn Rush David Scholl Jennifer Stepp Jennifer Teague	Kevin Demeny Cathy Davis Gene Houpe Bob Hovis Lynn Shue	Narissa Claiborne Geraldine Gardner Venecia Rock Denise Strosser Kelly Weston  <b>Guests</b> None.

**Call to Order**

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

Narissa Claiborne, Clerk to the Board, called roll and noted a quorum present.

**Moment of Silence**

Chairman Compton called for a moment of silence.

**Consent Agenda**

- 1. Approval of January 11, 2023, Executive Board Meeting Minutes**
- 2. Approval of the US Aging Aging and Disability Vaccination Collaboration Vaccine grant award**
- 3. Approval of NC Department of Transportation FY24 Public Transportation Program**
- 4. Centralina Economic Development District Board Appointments**
- 5. . Approval of the American Rescue Plan Act (ARPA)**

**Amendments to the Agenda.**

Centralina Board Chair notes that there was an update to the Centralina Board Consent Agenda. Item 4. Centralina Economic Development District (CEDD) Board Appointees. 1 name has been added to the CEDD Board Appointees list, Centralina Workforce Development Board Director, David Hollars.

Chairman Bobby Compton called for a motion to approve the Consent Agenda. Commissioner Brian Helms of Union County called Consent Agenda Items 2 (two)- USAging and Disability Vaccination Collaboration-Vaccine Grant Award for discussion. Commissioner Bobby Compton stated the discussion surrounding item 2(two), **Approval of the USAging Aging and Disability Vaccination Collaboration Vaccine grant award** would be tabled until after the last regular agenda item.

Martha Sue Hall made a motion to Approve the Agenda with correct items 1,3, and 4. Jay McCosh seconded the motion.

The motion passed.

### **Regular Agenda Items**

#### **6. Swearing in of the Centralina Executive Board Secretary**

Chairman Compton advised the Board that due to the absence of Secretary Jarvis Woodburn; he would know to be sworn in. Commissioner Woodburn read off the Oath of Office aloud. Chairman Compton thanked Commissioner Woodburn for his continued service.

#### **7. Executive Board Orientation & FY23-24 Forecast**

Centralina Executive Director Geraldine Gardner shared with the Board a presentation surrounding the Executive Board Role and responsibilities. Ms. Gardner also shared with the Board the FY23-24 Workplan and Board Meeting forecast. Ms. Gardner highlighted Key Initiatives and Implementation. Lastly, Ms. Gardner gave a high-level overview of both the Executive Board and Board of Delegates meeting forecast detailing topics based on Board member interests and feedback. In closing, Ms. Gardner informed the board that we have invited Senator Tom Tillis to attend the August Centralina Board of Delegates meeting.

Mayor Pro Tem Martha Sue Hall asked Centralina Executive Director Geraldine Gardner to give a background on the invitation of Senator Tom Tillis and Ted Budd. Geraldine asked the Board if there were any other items, they would like to see moving forward they she may not have mentioned.

Mayor Pro Tem also made a comment regarding the Request for proposals for fiscal years 2023-2025.

#### **8. Raleigh Relations**

Kelly Weston, Government Affairs & Member Engagement Coordinator shared with the Board the history and the initiatives of the Raleigh Relations Engagement Strategy. Ms. Weston emphasized the importance of expanding the engagement at the State level including relationship building, Statewide Advocacy, and Regional Advocacy. Ms. Weston shared with the Board the formal advocacy priorities, including Funding for Centralina, Monitoring, and lastly Alignment with other organizations. Ms. Weston shared with the Board areas where Board members can support the Advocacy Agenda priorities. Finally, Kelly Weston shared with the Board the 2023 Advocacy Agenda. Ms. Weston petitioned the Board to give feedback regarding areas of the agenda.

Martha Sue Hall commented on the need to collaborate with other organizations that have already taken the lead regarding advocacy.

Kelly summarized the discussion reifying that the Board wished to add Medicaid Expansion as an initiative to add to "Alignment With Others". Councilman Brian Helms responded by stating that he wishes to leave Medicaid expansion in the Advocacy Category, "Monitoring." Commissioner Patty Crump agreed and stated that she wished to keep the Advocacy Category in the Monitoring phase. Chairman Bobby Compton asked Ms. Weston if this topic could be reviewed later. Executive Director Gardner added that since the session just started, we could do an update at the April Executive Board meeting. Mayor Pro Tem Marth Sue Hall proposed a motion that both the Priority Issue Area, 4. Aging Infrastructure and 5. Taxing Authority for Local Municipalities both moved to be placed in the Advocacy Category "Alignment with Other Organizations". Commissioner Helms posed the question to Geraldine Gardner, What are we trying to accomplish - approving existing facilities or expansion to water and wastewater utilities? Ms. Gardner answered by stating that in the initial conversation, the BOD priorities lay in the condition of existing infrastructure. Ms. Hall repeated her previously stated motion. Council member Jennifer step seconded the motion. The motion carried. Ms. Weston closed by highlighting Legislative Engagement and shared with the Board how Centralina Regional Council can assist. Councilman Oxsher asked if there was a way to expedite that process. Chairman Compton, stated he could reach out to Kelly Weston with any questions or concerns.

### **9. Advancing the Plan Committee Update**

Centralina Planning Director, Michelle Nance shared with the Board the CONNECT Beyond progress and background on the step taken thus far including the committee members, upcoming meeting schedule, first-year Committee goals, highlights from the Advancing the Plan Kick-off, major successes, and lastly upcoming steps. Jason Wager, Senior Planner engaged the Board in an interactive activity surrounding the Centralina CONNECT Beyond Plan by polling them to answer questions that ask- "Which audiences including State Lawmakers, Local Elected Officials, Stakeholders, Business Community, and the General Public best resonate- Specially, 1. For which audiences does the message "Working together as a region makes us more competitive for federal transportation grants best resonate? 2. For which audiences does the message "We need better mobility to increase economic competitiveness for industries and business best resonate? 3. Which audience does the message, "Help employers access more employees", best resonate with? 4. For which audience does the message "Residence need seamless travel to get to work/educational opportunities/medical appointments "improving access for all" best resonate? Ms. Hall asked for clarification on who exactly are the "stakeholders" Michelle Nance responded funders and transit providers. 5. For which audiences does the message "quality of life"-creating places where people want to live and have mobility options, "best resonate? 6. For which audience does the message "Making the region future ready planning for growth in a way that maintains the quality of life," best resonate? 7. For which audience does the message "Environmental benefits," best resonate? 8. For which audience does the message "Supports the preservation of rural communities and agriculture, "best resonate? 9. For which audience does the message "increasing the efficiency of current infrastructure (all modes, including roads)," best resonate? 10. For which audience does the message "Mobility choices offer alternative to congestion", best resonate? Ms. Nance closed by sharing that the results will be incorporated into a FAQ sheet that the ATP committee will use for collateral when making their determination.

### **10. Aging Programs Update**

Centralina Aging Programs Director provided an Aging Program Update on the progress, including funding/grants. Ms. Miller also shared that those mentioned funding has now run out. Ms. Miller shared that as a result, of less funding, the aging community will receive fewer services. She shared that because of the special need surrounding COVID-19, restrictions to receive services were lessened and resulted in easier access for people and organizations that

utilized those services, which was great for non-profits that were previously unable to access services. Ms. Miller shared though, that those services were set to end in September of 2024- and the result would be serviced resuming normal practices making the services again restrictive to organizations and programs including Medicaid and Medicare. She added that inflation would also make it harder and more expensive for individuals to receive services. Ms. Miller continued by sharing ways the Aging Program will promote sustainability moving forward including working to improve nutrition services, alternative funding sources, and increasing purchasing power for meals and nutrition in a regional way instead of each county working individually. Finally, Ms. Miller shared ways and resources that the Board can assist with. She offered Centralina Regional Council's services to the Board as well.

Mayor Pro Tem Hall confirmed that the funding that is provided to the Aging Department came directly from the Federal Government. Ms. Miller confirmed.

Commissioner Jarvis Woodburn commented on Meals on Wheels regarding who delivers food to residents.

Chairman Compton followed up with consent agenda item 2. *Approval of the USAging Aging and Disability Vaccination Collaboration Vaccine grant award* raised by Commissioner Brian Helms for more discussion.

Brian Helms shared that he had severe concerns with what he read in the March 8- agenda packet. Mr. Helms started on Page 11 and read the language regarding vaccinations for adults. He continued by stating that he believes that we are instead of treating patients we are shooting for numbers. He shared that instead of caring for patients, we are setting numbers and working, instead to reach that goal. He added that he also had severe concerns with information being disseminated regarding vaccinations as propaganda and not fully informative on the dangers of vaccinations. Commissioner Helms expressed that he is not pulling the above-mentioned agenda item to be a "troublemaker" but because he cares about the elderly people in our region. Mr. Helms especially pointed out "in-home vaccination" and the dangers that could come from that practice. He continues by saying he is not an "anti-vaccination". But he wants it to be recognized that all vaccinations may not be safe for all that are targeted with the "propaganda campaigns". Commissioner Helms questioned the Board by asking, "How do we define "credible information?". Mr. Helms added that there is "very real data" that supports vaccine injury from the COVID-19 vaccination. He added that for too long our region, counties and municipalities, and our state and federal government have been chorused into taking the vaccination. He mentioned his Board supported the resolution of House Bill 98- Medical Freedom Act. Mr. Helms asserted that he cannot support the motion to support the funding/grant award with the limited information that has been brought forth in the Agenda Packet.

Commissioner Helms made a motion to deny consent item 2. *Approval of the USAging Aging and Disability Vaccination Collaboration Vaccine grant award*. Commissioner Patty Crump seconded the motion adding that her Board also approved House Bill 98.

Commissioner Crump added that she spoke with House bill representative Wayne Sasser. She stated that he felt strongly that the House Bill will pass. She added that this would give our students K- collegiate wouldn't have to choose between playing sports and being vaccinated. She added that House Bill 98 would be eliminating unfair quarantine rules. She shared that the passing of House Bill 98 would be a victory. Commissioner Crump shared with the Board that this topic has touched her family and that she feels very strongly about the vaccination process. Commissioner Crump stated that she fully supports rejecting the grant funding to protect older Americans that may not have a voice themselves.



Brian Helms shared that his Board also had a professional pediatrician speak at his Board meeting who stated that the COVID-19 vaccination does not prevent the transmission of Covid-19. Lastly, Commissioner Helms shared that in conversation with an elderly woman in his community, she had received at least 5 vaccinations that she knows of.

Ms. Linda Miller shared that the funding would come from the Federal Government and pointed out that this grant money would not only be specific for COVID-19 vaccination but also included influenza and shingles vaccination. Ms. Miller also shared that people are free to make their own choices without being forced. Ms. Miller shared that individuals are not required to get a vaccination to receive other medical services. Ms. Miller added that information is given by doctors and other medical facilities sharing risks regarding vaccinations.

Commissioner Crump shared that information handed out and Atrium is not informed consent and is in fact a "lie".

Council Member Jennifer Stepp shared that she has personal feelings regarding the vaccination. She added that her mother died because of the vaccine because of what her family thought was true. She shared that she was the only person to vote against the incentive program within her city. She stated that only 35% had chosen to be vaccinated. She stated the incentive was a horrible thing to incentivize vaccinations.

Mayor Pro Tem Hall added that she appreciated all her constituent's comments. She also shared that she also knows people that died from both receiving the vaccination and not receiving the vaccination. She directed the Board to "get back to the agenda". She emphasized that "this money is not solely for Covid-19 but includes the above-mentioned vaccination- vaccinations that no one until Covid-19 was questioned. Mayor Pro Tem Hall confirmed when this money would be available through Spring 2024.

Mayor Pro Tem Hall shared that she would be in support of passing the motion to approve the USAging Aging and Disability Vaccination Collaboration Vaccine grant award because it is inclusive of other vaccinations.

The Board went on to discuss the language in the agenda packet regarding the inclusion of not only the Covid 19 vaccination but other vaccinations including shingles, influenza, etc.

Centralina Executive Director Geraldine Gardner shared that what was in the agenda packet is limited to the general scope of work at a national level. She asked if Commissioner Helms and Commissioner Crump would be in favor of the Centralina Regional Council and the Area Agency on Aging presenting at the next Centralina Executive Board meeting a more comprehensive and specific scope of work to what we will do in the Centralina Region. Adding that they will need to speak with the USAging Partners about only focusing on vaccinations, not including the COVID-19 vaccinations.

Commissioner Crump and Commissioner Helms responded, stating they would not be in favor of the grant under even those circumstances.

Chairman Bobby Compton added to the discussion and stated that if it weren't for the vaccination, he wouldn't be here. He added that he has asthma. He shared with the Board they he stopped breathing twice and shared other complications that he has experienced from Covid-19.

Commissioner Helms restated the motion. to deny consent item 2. *Approval of the USAging Aging and Disability Vaccination Collaboration Vaccine grant award.*

The motion passed by 8/7.

Mayor Pro Tem Hall proposed a motion that would authorize staff to contact the USAging about modifying the grant perimeters.

Commissioner Elaine Powell asked if the grant could move forward in coordination with the Board's concerns by limiting the scope.

Executive Director Geraldine Gardner confirmed that they will reach out to USAging to confirm perimeters.

Commissioner Powell seconded the motion brought forth by Mayor Pro Tem Hall to authorize staff to contact the USAging about modifying the grant perimeters.

Council Member Oxsher stated one of the main reasons he supported the motion to deny the grant is because of the language surrounding specific Covid 19 vaccination training. He also stated that he would be in favor of the grant if it focused more on collaborative efforts, development, training, and peer-to-peer engagement as opposed to numbers, and vaccination hesitancy training.

Jennifer Teague asked if there were benchmarks tied to the amount of money received with the grant.

Ms. Miller responded the number isn't only tied to how many people get vaccinated, but how many individuals are reached through outreach efforts.

Chairman Compton restated the motion that would authorize staff to contact the USAging about modifying the grant perimeters that was seconded by Commissioner Powell.

The motion passed.

#### **Comments from the Executive Board and Centralina Staff**

Geraldine Gardner reiterated that Centralina will revisit the Grant Award after Centralina staff contacts USAging about modifying the grant perimeters.

Mayor Pro Tem Martha Sue Hall shared that at the last Board of Delegates, meeting delegates were called to share information. Ms. Hall asked if Board of Delegate Handbooks were available to share.

Centralina Executive Director shared that Board of Delegates Handbooks were sent to all delegates and are also available upon request.

Mayor Pro Tem Hall asked about the Mecklenburg County stormwater meeting. Commissioner Elaine Powell shared the meeting location and virtual meeting information.

Council Member Dante' Anderson stated that if at the upcoming meeting, we could state names before speaking

Chairman Compton agreed and stated that we would remind Board members.

Commissioner shared that what happened tonight- regarding different viewpoints allows for Board members to make better decisions and better meetings.

#### **Comments from the Executive Director**

Geraldine shared that tonight's meeting was an example of regionalism in action.

She also shared with the Board that with ARPA reporting approaching Centralina is making personal phone calls are being made to support communities in meeting deadlines and guidelines.

**Comments from the Chair**

Chairman Compton encouraged the Board, if they haven't already, to complete the Centralina Board of Delegate interest survey form. He also reminded the Board of the upcoming grant writing workshop, held on May 18.

**Adjournment**

With no further business to be discussed, Chairman Compton adjourned the meeting at 8:32 p.m.



# **CENTRALINA**

## **REGIONAL COUNCIL**

### **Item 2**

## Executive Board Agenda Item Cover Sheet

<b>Board Meeting Date:</b>	March 8, 2023	<b>Agenda Item Type:</b>	<b>Consent:</b>	x	<b>Regular:</b>	
<b>Submitting Person:</b>	Claiborne	<b>Presentation Time:</b>	N/A			
<b>Presenter at Meeting:</b>	N/A	<b>Phone Number:</b>	717-434-2284			
		<b>Email:</b>	nknight@centralina.org			
<b>Alternate Contact:</b>	Geraldine Gardner	<b>Phone Number:</b>	704-351-7130			
		<b>Email:</b>	ggardner@centralina.org			
<b>Submitting Department:</b>	Administration	<b>Department Head Approval:</b>	Geraldine Gardner			
<b>Title of documents as shown in the Agenda: CEDD Board Appointments</b>						
<b>Description of Agenda Item:</b> <i>(This wording will be used to summarize the item on the agenda cover page.)</i>						
The Executive Board will review and approve recommendations for CEDD Board Appointments so that vacant seats can be filled ahead of the April 20th CEDD Board Meeting.						
<b>Background &amp; Basis of Recommendations:</b>						
Per the bylaws of the Centralina Economic Development District, the Centralina Regional Council's Executive Board approves all nominations to the District's Board of Directors. The attached memo provide the list of individuals nominated by their respective jurisdictions and organizations.						
<b>Requested Action / Recommendation:</b>						
Motion to approve the recommendations of CEDD Board Appointees.						
<b>Time Sensitivity:</b> <i>(none or explain)</i>	N/A					
<b>Budget Impact:</b> <i>(none or explain)</i>	N/A					
<b>Attachments:</b> <i>(none or list)</i>	1. CEDD Board Appointments Memo, April 1, 2023					

**MEMORANDUM**

To: Centralina Regional Council Executive Board  
CC: Miles Atkins, Chair, Centralina Economic Development District  
From: Geraldine Gardner, Executive Director  
Date: April 1, 2023  
RE: Appointees to the Centralina Economic Development District Board of Directors

Per the bylaws of the Centralina Economic Development District, appointees to the Board of Directors shall be approved by the Centralina Regional Council Executive Board. The following individuals are being nominated to serve as CEDD Board Directors and fill current vacancies.

<b>Name</b>	<b>Title</b>	<b>Organization</b>	<b>Board Seat (Focus Area)</b>
Danny Chavez	Chief Business Recruitment Officer	Charlotte Regional Business Alliance (CLT Alliance)	Centralina At Large
Page Castrodale	Executive Director	Cabarrus County Economic Development Corporation	Cabarrus County
Thomas Cureton	Board Member	Anson Economic Development Corporation	Anson County

The above individuals were active in the recent five-year regional economic development strategy planning process and will bring a diverse set of experiences to our efforts to implement this plan.



# **CENTRALINA**

## **REGIONAL COUNCIL**

### **Item 3**

## **Executive Board Agenda Item Cover Sheet**

<b>Board Meeting Date:</b>	April 12, 2023	<b>Agenda Item Type:</b>	<b>Consent: X</b>		<b>Regular:</b>	
<b>Submitting Person:</b>	Denise Strosser	<b>Presentation Time:</b>	5 minutes			
<b>Presenter at Meeting:</b>	Denise Strosser	<b>Phone Number:</b>	(704) 372-2416			
		<b>Email:</b>	dstrosser@centralina.org			
<b>Alternate Contact:</b>	Geraldine Gardner	<b>Phone Number:</b>	(704) 248-2703			
		<b>Email:</b>	ggardner@centralina.org			
<b>Submitting Department:</b>	Finance	<b>Department Head Approval:</b>	<b>Denise Strosser</b>			
<b>Title of documents as shown in the Agenda: FY22-23 Budget Amendment</b>						
<b>Description of Agenda Item:</b> <i>(This wording will be used to summarize the item on the agenda cover page.)</i>						
<p>The Executive Board will review and approve the FY22-23 budget amendments for the operating and grant budgets.</p>						
<b>Background &amp; Basis of Recommendations:</b>						
<p>A placeholder budget was approved by the Executive Council on January 13, 2022 and adopted by the Board of Delegates on February 9, 2022 as required by Centralina Regional Council's Charter. This initial "placeholder" budget is developed prior to receiving information from various state and federal agencies. This second amendment represents changes to reflect Federal and State grant allocations as of March 27, 2023 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 and any prior amendments with current and up to date fundings and expenditures.</p>						
<b>Requested Action / Recommendation:</b>						
<p>Motion to approve the FY22-23 budet amendmends for the operating and grant budgets.</p>						
<b>Time Sensitivity:</b> <i>(none or explain)</i>	Before June 30, 2023					
<b>Budget Impact:</b> <i>(none or explain)</i>	As indicated on attached					
<b>Attachments:</b> <i>(none or list)</i>	FY22-23 Operating and Grant Budget Amendment					





**Fiscal Year 2022 - 2023 Operating Budget Ordinance Amendment**

<b>ANTICIPATED REVENUES</b>	<b>Placeholder FY2022-2023 <u>Budget</u></b>	<b>12.31.2022 FY2022-2023 <u>Budget</u></b>	<b>3.24.2023 FY2022-2023 <u>Budget</u></b>	<b><u>Net change</u></b>
<b>Program Revenues</b>				
Restricted Intergovernmental Revenue	5,699,605	4,871,482	5,194,238	322,756
Technical Assistance Projects	621,569	1,840,777	1,929,080	88,303
Other Program Revenue	257,473	790,831	724,230	(66,601)
Fund Balance Appropriated	-	-	-	-
<b>Total Program Revenue</b>	<b><u>6,578,647</u></b>	<b><u>7,503,090</u></b>	<b><u>7,847,548</u></b>	<b><u>344,458</u></b>
<b>Other Revenues</b>				
Member Dues Support	929,000	928,715	930,000	1,285
Interest and Other Revenue	1,000	20,000	27,050	7,050
<b>Total Other Revenues</b>	<b><u>930,000</u></b>	<b><u>948,715</u></b>	<b><u>957,050</u></b>	<b><u>8,335</u></b>
<b>TOTAL ANTICIPATED REVENUES</b>	<b><u>7,508,647</u></b>	<b><u>8,451,805</u></b>	<b><u>8,804,598</u></b>	<b><u>352,793</u></b>
<b>EXPENSE APPROPRIATIONS</b>				
Member services, Board and committees	225,000	706,768	710,947	4,179
Management and Business Operations	1,935,000	1,903,372	1,627,673	(275,699)
Information Technology	165,000	208,720	233,860	25,140
Community and Economic Development Depart.	696,188	1,173,886	1,191,212	17,326
Planning Department	620,509	1,405,622	1,447,509	41,887
Area Agency on Aging Department	4,656,950	3,863,622	4,127,143	263,521
Workforce Development Department	830,000	961,048	941,614	(19,434)
Indirect Costs Representation	(1,620,000)	(1,771,233)	(1,475,360)	295,873
<b>TOTAL EXPENSE APPROPRIATIONS</b>	<b><u>7,508,647</u></b>	<b><u>8,451,805</u></b>	<b><u>8,804,598</u></b>	<b><u>352,793</u></b>
	-	-	-	-

**Fiscal Year 2022-2023 Grant Pass Through Budgets Amendment**

<u>Program</u>	<u>Placeholder FY2022-2023 Budget</u>	<u>12.31.2022 FY2022-2023 Budget</u>	<u>03.24.2023 FY2022-2023 Budget</u>	<u>change</u>
<b>Area Agency on Aging</b>				
HCC Block Grant	9,850,000	11,500,000	11,500,000	-
USDA Supplement	650,000 (1)	650,000	650,000	-
Title III-B Legal	85,000	102,922	102,922	-
Family Caregiver	520,000	572,818	572,818	-
Disease Prevention/Health Promotion	40,000	52,300	52,300	-
State Senior Center General Purpose	120,000	116,616	116,616	-
Heat Fan Relief	15,000	14,363	14,363	-
Supplemental Nutrition	-	45,973	46,985	1,012
ARPA Support Services	-	209,103	214,103	5,000
ARPA Congregate Nutrition	-	1,727,801	1,727,801	-
ARPA Home Delivered meals	-	1,107,478	1,107,478	-
	<u>11,280,000</u>	<u>16,099,374</u>	<u>16,105,386</u>	<u>6,012</u>
<i>(1) Decrease due to placeholder budget inadvertently included Centralina's internal funding.</i>				
<b>Workforce Development</b>				
WIOA - XX-4010 Administrative Cost Pool	450,000 (2)	23,495	23,495	-
WIOA XX-4020 Adult Services	1,275,000	1,188,627	1,460,427	271,800
WIOA XX-4030 Dislocated Worker	950,000	940,887	504,071	(436,816)
WIOA XX-4040 Youth Services	1,250,000	1,180,392	1,085,155	(95,237)
WIOA XX-4050 Youth Initiative	65,000	62,586	62,587	1
WIOA XX-4050 Finish Line Grant	105,000	108,871	108,872	1
WIOA XX- XXXX Infrastructure Cost	85,000	90,249	90,249	-
NDWG COVID 2X-3130	-	214,637	214,638	1
	<u>4,180,000</u>	<u>3,809,744</u>	<u>3,549,494</u>	<u>(260,250)</u>
<i>(2) Decrease due to placeholder budget inadvertently included Centralina's internal funding.</i>				
<b>Total Grant</b>	<u>15,460,000</u>	<u>19,909,118</u>		



# **CENTRALINA**

## **REGIONAL COUNCIL**

### **Item 4**

## Executive Board Agenda Item Cover Sheet

<b>Board Meeting Date:</b>	April 12, 2023	<b>Agenda Item Type:</b>	<b>Consent:</b>	X	<b>Regular:</b>	
<b>Submitting Person:</b>	Geraldine Gardner	<b>Presentation Time:</b>				
<b>Presenter at Meeting:</b>	Geraldine Gardner	<b>Phone Number:</b>	704-351-7130			
		<b>Email:</b>	ggardner@centralina.org			
<b>Alternate Contact:</b>	Venecia White	<b>Phone Number:</b>				
		<b>Email:</b>	Vrock@centralina.org			
<b>Submitting Department:</b>	Executive	<b>Department Head Approval:</b>	Geraldine Gardner			
<b>Title of documents as shown in the Agenda:</b> FY23-24 Employee Compensation Adjustment and Personnel Policy Amendments						
<b>Description of Agenda Item:</b> <i>(This wording will be used to summarize the item on the agenda cover page.)</i>						
<p>It has been Centralina's practice to receive authorization from the Executive Board for implementation of employee compensation increases each fiscal year; the compensation adjustments have already been budgeted in the FY23-24 placeholder budget and approved by the Board of Delegates on February 8, 2023. The purpose of this agenda item is to inform the Executive Board of the details of the FY23-24 compensation approach and seek approval of personnel policy modifications that clarify the organization's compensation approach.</p>						
<b>Background &amp; Basis of Recommendations:</b>						
<p><u>FY23-24 Compensation Approach</u></p> <ul style="list-style-type: none"> <li>• 3% Across the Board Increase: awarded to all staff in good standing. CPI in North Carolina for Feb 2023 is 6.4% (U.S. Bureau of Labor Statistics)</li> <li>• 3% Merit Increase Pool: qualification for merit increase to be determined based on Trakstar performance evaluation for FY22-23; individual employee award amounts are recommended by Department Directors and approved by HR.</li> <li>• For FY24 Centralina will continue to implement recommendations from the 2023 Pay &amp; Classification Study, including adjustments to address salary compression for a targeted list of employees.</li> </ul> <p><u>Fiscal Impact:</u> The total incremental cost of the above compensation adjustments is \$241,800. Of this 85% will be charged to federal and state grants, technical assistance contracts, and direct/indirect cost allocation. Only 15% or approximately \$36,000 is expected to be covered by membership dues allocation.</p> <p><u>Benchmark &amp; Last FY Increase:</u> FY22-23 Compensation Adjustment was a 5% across the board increase and no merit. Centralina's FY23-24 compensation is competitive with other Councils of Government, including Triangle J COG: 6% (3% COLA and 3% Merit); Western Piedmont: 5.75% plus 1% increase to 401K; Land of Sky: 7%.</p>						

Personnel Policy Amendments:

As part of the implementation of the 2023 Pay & Classification Study, we are proposing to amend Centralina's personnel policies to provide clear and consistent organization wide guidance on compensation. The proposed amendment clarifies existing language for starting salary guidance for hiring, promotion, transfers, as well as bonus in lieu of increases for staff above the pay grade range for their positions.

The purposes of the clarifications and additions to the policies are to provide clear guidance to Directors and managers in making compensation recommendations; ensure consistency in approach across departments; and to offer transparency to staff.

The attached summary page provides further details on the proposed changes.

**Requested Action / Recommendation:**

Motion to approve the FY23-24 Employee Compensation Adjustment and Personnel Policy Amendments.

<b>Time Sensitivity:</b> <i>(none or explain)</i>	Approval is sought in April so that management can proceed with performance evaluation and department budget preparation on schedule.
<b>Budget Impact:</b> <i>(none or explain)</i>	The total incremental cost of the above compensation adjustments is \$241,800, which has been appropriated in the FY23-24 budget on February 8, 2023.
<b>Attachments:</b> <i>(none or list)</i>	<ol style="list-style-type: none"><li>1. Summary of Personnel Policy Amendments</li><li>2. Personnel Policy with amendments in track changes</li></ol>

Personnel Policy Amendments:

As part of the implementation of the 2023 Pay & Classification Study, we are proposing the following amendments to Centralina's personnel policies.

The proposed amendments clarify existing policy language and provides guidance to the organization on the following items:

- Pay Plan
- Starting/hiring salaries
- Promotion
- Lateral Transfers
- Merit Increases
- Bonuses

The purpose of the clarifications and additions to the policies is to provide clear guidance to Directors and managers in making compensation recommendations; ensure consistency in approach across departments, and offer transparency to staff.

Section	Item	Summary of Updates	Page Number
Employment Relationship	Pay Plan	<ul style="list-style-type: none"><li>• Updated with an explanation of how the pay plan fits into the organization's broader "compensation philosophy" or approach and relevance of the salary range mid-point to employee salary considerations</li></ul>	Page 24
Employment Relationship	Starting Salaries	<ul style="list-style-type: none"><li>• Updated with a consistent approach to start highly qualified candidates</li></ul>	Page 25
Employment Relationship	Promotion	<ul style="list-style-type: none"><li>• Updated with consistent approach to apply promotions and includes the timing for supervisors in making promotion requests</li></ul>	Page 27
Employment Relationship	Lateral Transfer	<ul style="list-style-type: none"><li>• Updated to clarify the time staff must be in a position for transfer consideration</li></ul>	Page 28
Employment Relationship	Merit Increases	<ul style="list-style-type: none"><li>• Deleted requirement for newly promoted employees to be in the new position for at least six months for a merit increase</li></ul>	Page 29
Employment Relationship	Bonuses	<ul style="list-style-type: none"><li>• Outlines the framework for department directors utilizing the staff performance bonus</li></ul>	Page 30

<i>Additional Updates to the Personnel Manual</i>			
Centralina Core Value Statements	Core Values	<ul style="list-style-type: none"> <li>Updated with new language from Centralina staff that reflect core values</li> </ul>	Page 7
Equal Opportunity, Commitment to Diversity and Complaint Procedures	Title VI Compliance	<ul style="list-style-type: none"> <li>Updated with revised Policy Statement consistent with Centralina's Title VI Plan</li> </ul>	Page 12
Workplace Guidelines	Other Employment	<ul style="list-style-type: none"> <li>Updated to clarify the instances when outside employment must be approved</li> </ul>	Page 44





## **ACKNOWLEDGEMENT OF RECEIPT OF EMPLOYEE PERSONNEL MANUAL AND AT-WILL EMPLOYMENT**

The statements contained in the Personnel Manual are intended to provide only general information about the current existing policies and practices of employment. Nothing contained herein is intended to create, or shall be construed as creating, an expressed or implied contract or guarantee of employment for a definite or indefinite term.

Nothing contained in this policy should be considered as a contract between Centralina and an employee. Employment with Centralina is "at-will". Centralina or the employee may terminate the employment relationship at any time, with or without reason or notice.

Centralina retains the right at any time, in its own discretion, to delete, add to, alter and amend any and all information, statements, employee benefits, or terms and conditions of employment contained herein.

My signature below acknowledges my understanding that my employment with Centralina is at-will. Also, my signature represents that I have received the adopted Personnel Manual and agree to abide by the guidelines. Further, I agree that if there is any policy or provision within this document that I do not understand, I will seek clarification from Human Resources.

**Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

The Personnel Manual is located at the following link:

**[CENTRALINK Library / Human Resources / Personnel Policy Manual](#)**



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Equal Opportunity/Affirmative Action Employer. Auxiliary aids and services available upon request to individuals with disabilities.

**TABLE OF CONTENTS**

**WELCOME TO CENTRALINA..... 5**

**BACKGROUND OF CENTRALINA..... 6**

**CENTRALINA CORE VALUE STATEMENTS ..... 7**

**GENERAL PROVISIONS ..... 9**  
SECTION 1: Purpose of the Policy ..... 9  
SECTION 2: Amendments to the Policy ..... 9  
SECTION 3: Responsibilities of the Board of Delegates ..... 9  
SECTION 4: Responsibilities of the Executive Director ..... 9

**EQUAL OPPORTUNITY, COMMITMENT TO DIVERSITY AND COMPLAINT PROCEDURES ..... 10**  
SECTION 1: Equal Opportunity ..... 10  
SECTION 2: Commitment to Diversity and Inclusion ..... 10  
SECTION 3: Title VI Compliance ..... 11  
SECTION 4: Americans with Disabilities Act (ADA) and Reasonable Accommodation ..... 11  
SECTION 5: Recruitment, Selection and Appointment of New Employees..... 12  
SECTION 6: Anti-Harassment..... 12  
SECTION 7: Complaint and Appeal Procedures ..... 14  
SECTION 8: Whistleblower Policy ..... 16

**CONFLICTS OF INTEREST, CONFIDENTIALITY AND CODE OF CONDUCT..... 17**  
SECTION 1: Conflicts of Interest ..... 17  
SECTION 2: Confidentiality ..... 17  
SECTION 3: Record-Keeping, Financial Controls and Disclosures ..... 18  
SECTION 4: Personnel Actions..... 18  
SECTION 5: Access to Personnel Records ..... 18  
SECTION 6: Public Information..... 19  
SECTION 7: Penalties for Permitting Access to Personnel Records and Files ..... 19  
SECTION 8: Examining and/or Copying Confidential Material ..... 19  
SECTION 9: HIPAA Compliance ..... 19  
SECTION 10: Code of Conduct ..... 20

**EMPLOYMENT RELATIONSHIP..... 21**  
SECTION 1: Employment Categories ..... 21  
SECTION 2: Positions Classification Plan ..... 22  
SECTION 3: Pay Plan ..... 22  
SECTION 4: Administration and Maintenance of the Position Classification and Pay Plans ..... 23  
SECTION 5: Starting Salaries ..... 23  
SECTION 6: Trainee Designation and Provisions ..... 23  
SECTION 7: Introductory Period ..... 23  
SECTION 8: Promotion..... 24  
SECTION 9: Demotion ..... 24  
SECTION 10: Transfer..... 25  
SECTION 11: Reclassification ..... 25

SECTION 12: Merit Increases .....	26
SECTION 13: Bonuses, Across-the-Board Pay Adjustment and Other Awards .....	26
SECTION 14: Timesheets .....	27
SECTION 15: Payday .....	27
SECTION 16: Hardship Policy .....	27
SECTION 17: Separation of Employment.....	28
SECTION 18: Reinstatement and Rehiring .....	30
<b><u>WORKPLACE SAFETY &amp; EMERGENCIES .....</u></b>	<b><u>31</u></b>
SECTION 1: Commitment to Safety.....	31
SECTION 2: Drug-Free Workplace Policy .....	31
SECTION 3: Workplace Violence Prevention .....	32
SECTION 4: Emergency Closings and Inclement Weather .....	32
SECTION 5: Administrative Leave with Pay Due to Emergency Closing.....	33
<b><u>WORKPLACE GUIDELINES.....</u></b>	<b><u>34</u></b>
SECTION 1: Residency.....	34
SECTION 2: Employee Orientation .....	34
SECTION 3: Office Location and Hours.....	34
SECTION 4: Work Schedules and Alternative Arrangements .....	34
SECTION 5: Employment of Relatives.....	39
SECTION 6: Outside Employment .....	40
SECTION 7: Political Activity .....	40
SECTION 8: Performance Evaluation .....	41
SECTION 9: Dress Code .....	42
<b><u>EMPLOYEE BENEFITS.....</u></b>	<b><u>44</u></b>
SECTION 1: Eligibility .....	44
SECTION 2: Group Health Insurance .....	44
SECTION 3: Group Life Insurance .....	44
SECTION 4: Supplemental Health and Life Insurance .....	44
SECTION 5: Retiree Health Insurance.....	44
SECTION 6: NC Local Governmental Employees' Retirement System .....	46
SECTION 7: Supplemental Retirement Benefits .....	46
SECTION 8: Social Security .....	46
SECTION 9: Workers' Compensation .....	46
SECTION 10: Unemployment Compensation .....	47
SECTION 11: Disability Insurance .....	47
SECTION 12: Short-term Disability .....	47
SECTION 13: Employee Assistance Program .....	47
SECTION 14: Flexible Spending Accounts.....	48
SECTION 15: NC Local Governmental Employees' Federal Credit Union .....	48
SECTION 16: Professional Development.....	48
SECTION 17: Professional Memberships and Dues .....	48
<b><u>TIME OFF AND LEAVES OF ABSENCE .....</u></b>	<b><u>49</u></b>
SECTION 1: Policy.....	49
SECTION 2: Vacation Leave: Accrual Rates .....	49

SECTION 3: Vacation Leave: Maximum Accumulation .....	49
SECTION 4: Excess Vacation Leave .....	50
SECTION 5: Vacation Leave: Manner of Taking .....	50
SECTION 6: Vacation Leave: Payment upon Separation.....	50
SECTION 7: Sick Leave .....	50
SECTION 8: Sick Leave: Accrual Rates and Accumulation .....	51
SECTION 9: Transfer of Sick Leave from Previous Employer .....	51
SECTION 10: Sick Leave: Payment upon Separation .....	51
SECTION 11: Compassionate Leave Transfer .....	51
SECTION 12: Bereavement Leave .....	53
SECTION 13: Medical Leave of Absence (Non-FMLA Leave .....	53
SECTION 14: Military Leave .....	53
SECTION 15: School Visitation Leave .....	54
SECTION 16: Jury Duty and Civil Leave .....	54
SECTION 18: Leave Without Pay.....	54
SECTION 19: Continuation of Fringe Benefits.....	55
SECTION 20: Holidays .....	55
<b><u>UNSATISFACTORY JOB PERFORMANCE AND FAILURE IN PERSONAL CONDUCT .....</u></b>	<b>56</b>
SECTION 1: Unsatisfactory Performance .....	56
SECTION 2: Failure in Personal Conduct.....	56
SECTION 3: Disciplinary Actions .....	57
SECTION 4: Employee Appeal .....	58

## **WELCOME TO CENTRALINA REGIONAL COUNCIL**

Welcome to Centralina Regional Council! We are delighted that you have chosen to join our organization and hope that you will enjoy a long and successful career with us. As you become familiar with our culture and mission, we hope you will take advantage of opportunities to enhance your career and further Centralina's goals.

You are joining an organization that has a reputation for outstanding leadership, innovation, and expertise. Our employees use their creativity and talent to invent new solutions, meet new demands and offer effective services to the governments and entities that we serve. With your active involvement, creativity and support, Centralina will continue to achieve its goals. We sincerely hope you will take pride in being an important part of Centralina's success.

All the activities of Centralina are interrelated and dependent upon each other and members and staff must work together to accomplish the organization's goals. For any group to work together and to function efficiently there must be:

- A climate of cooperation;
- A basic understanding of purposes and objectives; and
- A common interpretation of the policies, rules, and regulations that govern the organization.

Please take time to review the policies contained in this manual. Although this policy manual has been designed in the best possible manner, its contents cannot be considered as all-inclusive. Allowances must be made for judgment on the part of the Executive Director, department directors and supervisors. An Operations Manual has been created to provide more clarification on certain policies and provide information on proper procedures and course of action.

If you have questions, feel free to ask your supervisor or contact the Human Resources Manager.

## **BACKGROUND OF CENTRALINA**

Centralina Regional Council is a public organization that was established to serve the needs of the greater Charlotte region, including Anson, Cabarrus, Gaston, Lincoln, Iredell, Mecklenburg, Rowan, Stanly and Union counties. Our mission is to strengthen regional collaboration and improve quality of life, which we accomplish in three distinct ways. We identify regional opportunities and spark action by facilitating areawide planning, collaboration and problem-solving. We support local governments by giving them the technical support, training and expertise they need to serve their communities. Finally, we provide direct health, aging and workforce services to individuals. Through these three levels of engagement and impact, we seek to unite our region by a common vision for a thriving and prosperous place to live, work and play.

### *Our Mission:*

Centralina Regional Council leads regional collaboration and sparks local action to expand opportunity and improve quality of life. We do this through creative problem solving, innovative service delivery and support to our local governments.

## CORE VALUES

~~We are wholeheartedly dedicated to serving our communities and making a meaningful difference in our region. To do this we LEAD in the way we ACT with each other and our constituents. We LEAD in the way we ACT with each other and our customers.~~

- Listen and speak with care
- Embrace boldness and flexibility
- Affirm that differences matter
- Drive Collaboration
- Act with integrity
- Commit to our communities
- Take care of ourselves and each other

<u>We LEAD in the way we ACT with each other and our customers.</u>	<u>What does this look like?</u>		
<b><u>Listen and Speak With Care</u></b>	<ul style="list-style-type: none"> <li>• We take time to praise each other and practice gratitude.</li> </ul>	<ul style="list-style-type: none"> <li>• We actively listen before being heard, practicing empathy and speaking with precision and care.</li> </ul>	<ul style="list-style-type: none"> <li>• We are open to feedback on how we can adapt and improve.</li> </ul>
<b><u>Embrace boldness and flexibility</u></b>	<ul style="list-style-type: none"> <li>• We are innovative and not afraid to take risks.</li> </ul>	<ul style="list-style-type: none"> <li>• We are flexible in both independent and collaborative tasks while working remotely.</li> </ul>	<ul style="list-style-type: none"> <li>• We are open minded leaders that look to the future and anticipate what's next.</li> </ul>
<b><u>Affirm that differences matter</u></b>	<ul style="list-style-type: none"> <li>• We acknowledge and appreciate that we are all unique individuals.</li> </ul>	<ul style="list-style-type: none"> <li>• We actively engage to understand other unique perspectives, needs and experiences.</li> </ul>	<ul style="list-style-type: none"> <li>• We adapt how we present our expertise so that it is accessible to all.</li> </ul>
<b><u>Drive Collaboration</u></b>	<ul style="list-style-type: none"> <li>• We serve as subject-matter experts (SMEs) to ensure our organization is able to meet critical business needs.</li> </ul>	<ul style="list-style-type: none"> <li>• We acknowledge that we are better together!</li> </ul>	<ul style="list-style-type: none"> <li>• We adopt a One Centralina mindset by creating opportunities for teamwork within and across all areas.</li> </ul>
<b><u>Act with integrity</u></b>	<ul style="list-style-type: none"> <li>• We are mindful of the impact that our actions and decisions have on others.</li> </ul>	<ul style="list-style-type: none"> <li>• We work to build trust through honest relationships and acting in good faith.</li> </ul>	<ul style="list-style-type: none"> <li>• We adhere to the highest level of ethics and authenticity.</li> </ul>
<b><u>Commit to our communities</u></b>	<ul style="list-style-type: none"> <li>• We are proactive in engaging our communities.</li> </ul>	<ul style="list-style-type: none"> <li>• We invest in learning about our communities.</li> </ul>	<ul style="list-style-type: none"> <li>• We foster relationships with local leaders to build bridges for our communities.</li> </ul>
<b><u>Take care of ourselves and each other</u></b>	<ul style="list-style-type: none"> <li>• We practice and support a healthy work-life balance.</li> </ul>	<ul style="list-style-type: none"> <li>• We intentionally take action to improve our physical and mental health.</li> </ul>	<ul style="list-style-type: none"> <li>• We are aware when our teammates are in need and offer support.</li> </ul>



### **Listen and speak with care**

- We keep all communication professional, respectful, clear and consistent.
- We use affirming language and communicate what the possibilities are or can be.
- We are mindful of the impact that our words have on others.
- We actively listen before being heard.
- We think about the "why" when speaking and do so in a productive way.
- We accept that issues will arise and commit to communicating insight, feedback and solutions.

### **Embrace boldness and flexibility**

- We are innovative and not afraid to take risks, even when it causes us to do things differently.
- We are open to feedback on how we can adapt and improve.
- We are forward-thinking leaders who can work with uncertainty.
- We build non-traditional partnerships and alliances that bring value to our work and the region.
- We look to the future and anticipate what's next.

### **Accelerate collaboration**

- We know that we are better together and work to create opportunities for teamwork within and across departments.
- We work to build new external partnerships and help existing partnerships flourish.
- We ask for input and invite others to the table to broaden our viewpoints.
- We value continuous feedback and strategies to improve our teamwork and how we collaborate.

### **Deliver expertise with sincerity**

- We practice being humble.
- We are committed to self-improvement and growing our knowledge base.
- We believe that there is always something new to learn and are open to new ideas from others.
- We adapt how we present our expertise so that it is accessible to all.



## A.C.T.

### Act with integrity and empathy

- We are honest and transparent public servants.
- We are professional and respectful in all interactions.
- We actively engage to understand others' unique perspectives, needs and experiences.
- We are mindful of the impact that our actions and decisions have on others.

### Commit to our communities

- We are non-partisan, unbiased and dedicated to serving all.
- We are clear, positive and timely in our communication.
- We are proactive in engaging our communities.
- We invest in learning about our communities and building relationships with local leaders.

### Take care of ourselves and each other

- We acknowledge and appreciate that we are all unique individuals.
- We practice and support a healthy work-life balance.
- We take action to improve our physical and mental health.
- We work to create a positive and productive work environment.
- We are aware of when our teammates are in need and offer support.
- We take time to praise each other and practice gratitude.

## **GENERAL PROVISIONS**

### **SECTION 1: Purpose of the Policy**

It is the purpose of this policy and the rules and regulations set forth to establish a fair and uniform system of personnel administration for all employees of Centralina under the supervision of the Executive Director.

Nothing contained in this policy should be considered as a contract between Centralina and an employee. Employment with Centralina is "at-will". Centralina or the employee may terminate the employment relationship at any time, with or without reason or notice.

### **SECTION 2: Amendments to the Policy**

Centralina reserves the right to add, change, or delete personnel policies and/or procedures as it deems necessary. Amendments to this Policy Manual that are substantive in nature will be made by the Executive Director and/or designated staff with final approval from the Executive Board. Employees will be made aware of these changes as soon as reasonably possibly.

### **SECTION 3: Responsibilities of the Board of Delegates**

The Board of Delegates and its Executive Board is responsible for adopting all plans, programs, objectives and policies of Centralina. Project review and adoption of a budget are also responsibilities of the Delegates. The Executive Board shall be responsible for establishing and approving personnel policies, the position classification and pay plan and may change the policies and benefits as necessary. The Executive Board, however, delegates the actual employment and discharge responsibilities to the Executive Director. The Executive Director and staff carries out the approved and budgeted activities of Centralina.

### **SECTION 4: Responsibilities of the Executive Director**

It shall be the responsibility of the Executive Director to administer these policies and procedures and any subsequent amendments or additions as may be adopted by the Board of Delegates or its Executive Board. As delegated by the Executive Board, the Executive Director shall make appointments, dismissals and suspensions in accordance with the policies and procedures outlined in this Policy.

The Executive Director may designate an employee, i.e. a Human Resources Manager, to perform certain responsibilities related to administration of the personnel program. This designee shall maintain the position classification plan and the pay plan and perform such other duties in connection with an effective human resources program. All matters dealing with human resources shall be routed through this designee who shall maintain a complete system of personnel files and records.

## **EQUAL OPPORTUNITY, COMMITMENT TO DIVERSITY AND COMPLAINT PROCEDURES**

### **SECTION 1: Equal Opportunity**

Centralina is an Equal Employment Opportunity employer. It is against Centralina's policy for any employee to discriminate against an applicant for employment or an employee on the basis of race, color, religion, age, sex, national origin, disability status, genetics, protected veteran status, sexual orientation, gender identity or expression, or any other characteristic protected by federal, state or local laws.

The policies and principles of equal employment opportunity also apply to the selection and treatment of independent contractors, personnel working on our premises who are employed by temporary agencies and any other persons or firms doing business for or with Centralina.

This policy of Equal Employment Opportunity applies to all policies and procedures relating to recruitment and hiring, compensation, benefits, dismissal and all other terms and conditions of employment.

Department Directors and supervisors are responsible for implementing equal employment practices within each department. The Executive Director is responsible for Centralina's overall compliance with applicable laws and regulations. Employees' questions or concerns should be referred Human Resources.

Violations of this policy, regardless of whether or not an actual law has been violated, will not be tolerated. Centralina will investigate every issue that is brought to its attention in this area, will take corrective actions and will take appropriate disciplinary action when appropriate.

### **SECTION 2: Commitment to Diversity and Inclusion**

An inclusive workplace is essential to carrying out Centralina's mission of expanding opportunity and improving quality of life while upholding our core values. Centralina has a responsibility to create and sustain a work environment where employees of all races, ethnicities, nationalities, cultures, religions, gender identities or expressions, sexual orientations, ages, neurodiversities, and physical abilities feel safe, respected, and empowered to bring their unique identities to work. We welcome the contributions these differences offer and recognize that having an array of perspectives fosters creativity and innovation.

To promote diversity, equity, and inclusion within our organization, Centralina commits to:

- Providing ongoing training and resources on cultural competency and overcoming personal biases.
- Zero tolerance for harassment of any kind.
- Resolving conflicts and addressing grievances expediently and effectively.
- Ensuring equity in hiring, advancement, and salary setting practices.
- Regularly reviewing and assessing the organization's cultural inclusivity and sensitivity.

**SECTION 3: Title VI Compliance – Policy Statement and Notice of Non-Discrimination (Updated April 2023)**

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Centralina Regional Council, as a recipient of federal financial assistance, assures that no person shall, on the grounds of their race, color, age, disability, or national origin be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination in any agency-sponsored program or activity, regardless of whether those programs and activities are federally funded or not. Centralina's Non-Discrimination Policy is in keeping with Title VI of the Civil Rights Act of 1964, the Civil Rights Restoration Act of 1987, the Americans with Disabilities Act, Section 188 of the Workforce Investment Opportunity Act and related federal policies that address non-discrimination as outlined in the following document.

Centralina's Non-Discrimination Policy applies to all employees, contractors and subrecipients of Centralina, as well as all recipients of and participants in all Centralina programs, services and activities.

Further, in the event that Centralina distributes federal financial aid funds to a subrecipient, Centralina will include the appropriate non-discrimination language and references to federal laws, such as Title VI, in all written agreements and will monitor those subrecipients for compliance as and when required.

This policy statement not only identifies the guiding principles of Centralina's Title VI plan but is also an expression of our organization's broader commitment to non-discrimination.

Centralina values the diversity of all the people and communities we serve and welcomes participation from all interested parties in its programs, services and activities, regardless of cultural identity or background. Centralina is also committed to promoting the comprehensive realization of equal opportunity and equal access to all of its programs, services and activities regardless of race, color, national origin, sex, religion, age, disability, marital or family status, sexual orientation, gender identity or expression or any other characteristic protected by law. Centralina is an Equal Employment Opportunity/Affirmative Action employer.

Centralina will not tolerate any form of proscribed discrimination in employment efforts or in any of its programs, services or activities. Further, Centralina will not tolerate any form of retaliation directed against an individual who complains of discrimination pursuant to this policy or who participates in any investigation concerning discrimination pursuant to this policy.

**A RESOLUTION REGARDING TITLE VI AND ADOPTION OF A TITLE VI POLICY STATEMENT**

**WHEREAS,** the Centralina Council of Governments (Centralina COG) is the state-designated lead regional organization for the nine-county region in and around Charlotte, North Carolina; and

**WHEREAS,** Centralina COG's role is to coordinate the efforts of federal, state and local governments and organizations to grow our region's economy and jobs, control the cost of government and improve quality of life; and

**WHEREAS**, to fund its many program activities and initiatives, Centralina COG receives direct or pass-through federal funding from agencies such as the US Department of Transportation (Federal Highway Administration and Federal Transit Administration); the US Department of Health and Human Services; and the US Department of Labor; and

**WHEREAS**, Centralina COG, as a recipient and sub-recipient of federal funding will ensure full compliance with Title VI of the Civil Rights Act of 1964 which prohibits discrimination based on race, color and national origin, specifically 42 USC 2000d, which states that:

*No person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance; and*

**WHEREAS**, Centralina COG will also comply with the Title VI of the Civil Rights Act of 1964, as amended and its related statutes, regulations and all additional protections set forth; and

**WHEREAS**, Centralina COG has developed a Title VI Policy Statement that will direct the administration and implementation of the Title VI of the Civil Rights Act of 1964 within the organization and authorizes Centralina COG's Executive Director to further develop and provide any other Title VI assurances, plans and programs, as required.

**NOW, THEREFORE, BE IT RESOLVED**, that Centralina COG certifies that it will comply with the provisions of the Title VI of the Civil Rights Act of 1964 (as amended) and the associated responsibilities of the law and adopts the 2018 Title VI Policy Statement.

*Approved by the Centralina Board of Delegates October 10, 2018*

#### **SECTION 4: Americans with Disabilities Act (ADA) and Reasonable Accommodation**

It is the policy of Centralina to comply with all federal and state laws concerning the employment of persons with disabilities and to act in accordance with regulations and guidance issued by the Equal Employment Opportunity Commission (EEOC). Further, Centralina will make reasonable accommodations, including modification of organizational policies and procedures in appropriate cases for qualified individuals with disabilities, if Centralina can do so without undue hardship.

Employees who may require a reasonable accommodation should contact Human Resources.

#### **SECTION 5: Recruitment, Selection and Appointment of New Employees**

**Job Requisition Process.** Department Directors shall complete a job requisition form whenever the department has a need to:

- Create and fill a new position, or
- Refill an existing position when there is a termination of employment.

The job requisition form details the request for the position, explains the need, determines the budget available for the role and identifies any resources or technology needed. The Executive Director with input from the Finance Director shall approve the job requisition prior to posting the positing for recruitment.

**Recruitment Sources.** When position vacancies occur, Centralina shall publicize these opportunities for employment, including applicable salary information and employment qualifications. Job openings will be advertised in local newspapers, professional publications and other such means in order to establish a diverse and qualified applicant pool. In addition, notice of vacancies shall be posted internally at a designated conspicuous place at the Centralina office where notices are customarily posted and/or on the Centralina website.

**Application for Employment.** All persons expressing interest in employment with Centralina shall be given the opportunity to file an application for employment for positions that are vacant. All applications shall be delivered and maintained by Human Resources.

**Travel Expenses and Relocation Assistance.** On occasion, recruitment for an open position may require a search over a wide geographic area. In these circumstances the Executive Director may authorize the payment of travel expenses for candidates and payments for part or all of moving expenses for relocating new employees.

**Selection.** Department directors, with the assistance of Human Resources, shall make such investigations, schedule and conduct such examinations as necessary to assess accurately the knowledge, skills, experience and other qualifications required for the position. All selection devices administered by Centralina shall focus on knowledge, skills, abilities, and suitability to perform the job.

**Appointment.** Before any commitment is made to an applicant, either internal or external, the Department Director shall make recommendations to the Executive Director and Human Resources of the position to be filled, the salary to be paid, and the reasons for selecting the candidate over other candidates. The Executive Director shall approve all appointments and starting salaries with input from the Finance Director. Human Resources shall be responsible for the processing of new employees.

## **SECTION 6: Anti-Harassment**

Centralina explicitly forbids harassment of one employee by another employee, supervisor or third party (including contracted service providers or members of the Board) for any reason. Such behavior undermines the integrity of the employment relationship and goes against Centralina's Core Values.

Violation of this policy will result in disciplinary action, up to and including immediate termination.

Definitions of harassment are contained below. If employees have further questions about what constitutes harassing behavior or what conduct is prohibited by this policy, they should discuss these questions with Human Resources and/or their immediate supervisor.

**Unlawful Harassment.** "Unlawful harassment" is conduct that has the purpose or effect of creating an intimidating, hostile or offensive work environment because of:

1. The individual's membership in a protected class (to include race; color; religion; genetic information; national origin; gender; sexual orientation; pregnancy, childbirth, or related

medical conditions; age; disability; or any other category protected under federal, state, or local law), or

2. Substantially and unreasonably interferes with an individual's work performance; or otherwise adversely affecting an individual's employment opportunities, regardless of protected class designation.

Unlawful harassment includes, but is not limited to, epithets; slurs; jokes; pranks; innuendo; comments; written or graphic material; stereotyping; or other threatening, hostile or intimidating acts.

**Sexual Harassment.** "Sexual harassment" is generally defined under both state and federal law as unwelcome sexual advances, requests for sexual favors and other verbal or physical conduct of a sexual nature where:

1. Submission to or rejection of such conduct is made either explicitly or implicitly a term or condition of any individual's employment or as a basis for employment decisions; or
2. Such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile or offensive work environment.

Other sexually oriented conduct, whether intended or not, that is unwelcome and has the effect of creating a work environment that is hostile, offensive, intimidating or humiliating to workers may also constitute sexual harassment.

**Retaliation.** Centralina also absolutely forbids retaliation, which includes: threatening an individual or taking any adverse action against an individual for (1) reporting a possible violation of this policy, or (2) participating in an investigation conducted under this policy.

Centralina staff and Board Members are covered by this policy and are prohibited from engaging in any form of harassing, discriminatory, or retaliatory conduct. None of the aforementioned individuals has the authority to suggest to any applicant or employee that employment or advancement will be affected by the individual entering into (or refusing to enter into) a personal relationship with the supervisor or member of the Board or for tolerating (or refusing to tolerate) conduct or communication that might violate this policy. Such conduct is a direct violation of this policy.

Even non-employees are covered by this policy. Centralina prohibits harassment, discrimination, or retaliation of our employees in connection with their work by non-employees. Employees should immediately report any harassing or discriminating behavior by non-employees, including contractors and/or subcontractors.

**Reporting.** If you have any concern that Centralina's Anti-Harassment policy may have been violated by anyone, you must immediately report the matter. Due to the very serious nature of harassment, discrimination and retaliation, you must follow Centralina's complaint procedure contained in the following sections.

Employees should report any actions they believe violates this policy no matter how slight the actions may seem. Centralina is committed to investigating the report and then taking prompt, appropriate remedial action. Employees shall not be penalized or retaliated against for reporting improper conduct, harassment, discrimination, retaliation, or other actions that they believe may violate this policy.

## **SECTION 7: Complaint and Appeal Procedures**

It is Centralina's policy to provide a just procedure for the presentation, consideration, and disposition of employee complaints. The purpose of this section is to outline the procedure and to assure all employees that a response to their complaints and complaints will be prompt and fair.

Employees utilizing the complaint procedure shall not be subjected to retaliation or any form of harassment from supervisors or employees for exercising their rights under the complaint procedure. Supervisors, or other employees who violate this policy, shall be subject to disciplinary action up to and including termination.

It is the responsibility of supervisors at all levels, consistent with authority delegated to them, to consider and take appropriate action promptly and fairly on a complaint or adverse action appeal of any employee.

In adopting these procedures, Centralina sets forth the following objectives:

- Assure employees of a way in which they can get their problems or complaints considered rapidly, fairly, and without fear of reprisal.
- Encourage the employee to express himself/herself about how the conditions of work affect him/her as an employee.
- Get better employee understanding of policies, practices, and procedures which affect him/her.
- Provide employees with assurance that actions are taken in accordance with policies.
- Provide a check on how policies are carried out by supervisors, and
- Give supervisors a greater sense of responsibility in their dealings with employees.

**Appeal Procedure – Non-Discrimination.** Any Centralina employee having a problem or complaint arising out of or due to his/her employment and who does not allege discrimination because of his/her age, sex, race, color, national origin, religion, creed, physical disability or political affiliation shall follow the procedure below:

*Step One.* The employee with a complaint shall present the matter orally or in writing to his/her Department Director as promptly as possible, with the objective of resolving the matter informally. The Department Director should consult with any individual deemed necessary to reach a correct, impartial and equitable determination and shall give the employee an answer as promptly as possible. If the employee's complaint is against the Department Director, the employee should begin at Step Two.

*Step Two.* If the decision is not satisfactory to the employee in *Step One*, or if he/she fails to receive an answer within the designated period provided in *Step One*, he/she may file the complaint with the Executive Director, who shall hear the complaint and render a decision in writing as promptly as possible.



*Step Three.* If the decision is not satisfactory to the individual in *Step Two*, or if he/she fails to receive an answer within the designated period provided in *Step Two*, the individual may file the complaint with the Centralina's Board Chairman and Executive Board who shall hear the complaint appeal and render a decision in writing as promptly as possible. This decision shall be final regarding the complaint.

**Appeal Procedure – Discrimination.** Any current or former employee who has reason to believe that employment, promotion, training, or transfer was denied him/her or that demotion, layoff, or dismissal of employment was forced upon him/her because of race, color, religious creed, gender, age, sexual orientation, national origin, genetic predisposition, or any other classification protected by applicable discrimination laws, shall follow the procedure below.

This procedure shall also apply to complaints involving the availability of services and programs and benefits to disabled persons as defined by the Americans with Disabilities Act.

*Step One.* The employee with a complaint shall present the matter orally or in writing to the Executive Director. The Executive Director should consult with any individual deemed necessary to reach a correct, impartial, and equitable determination and shall give the individual an answer as promptly as possible.

*Step Two.* If the decision is not satisfactory to the individual in *Step One*, or if he/she fails to receive an answer within the designated period provided in *Step One*, he/she may file the complaint in writing to Centralina's Board Chairman and Executive Board, who shall hear the complaint and render a decision in writing as promptly as possible. This decision shall be final regarding the complaint.

**Appeal Procedure – Adverse Action.** Any Centralina employee or former employee having a problem or complaint arising out an adverse action (demotion, dismissal, reduction in pay, layoff or an undesirable transfer or suspension), shall follow the procedure below:

*Step One.* The individual with a complaint regarding an adverse action shall present the matter orally or in writing to his/her Department Director who shall render a response as promptly as possible.

*Step Two.* If the decision is not satisfactory to the individual or if he/she fails to receive an answer within the designated period provided in *Step One*, he/she may file the adverse action appeal with the Executive Director, who shall hear the complaint and render a decision in writing as promptly as possible. This decision shall be final regarding the adverse action appeal.

## **SECTION 8: Whistleblower Policy**

A whistleblower as defined by this policy is an employee of Centralina who reports an activity that he/she considers to be illegal or dishonest to one or more of the parties specified in this Policy. The whistleblower is not responsible for investigating the activity or for determining fault or corrective measures; appropriate management officials are charged with these responsibilities.

This policy is intended to cover protections for employees that raise concerns on issues such as:

- Incorrect financial reporting.
- Unlawful activity.
- Activities that are not in line with Centralina's policies.
- Activities, which otherwise amount to serious improper conduct.

If an employee has knowledge of or a concern of illegal or dishonest fraudulent activity, the employee is to contact his/her immediate supervisor or the Human Resources Manager. The employee must exercise sound judgment to avoid baseless allegations. An employee who intentionally files a false report of wrongdoing will be subject to discipline up to and including termination.

Whistleblower protections are provided in two important areas – confidentiality and against retaliation. Insofar as possible, the confidentiality of the whistleblower will be maintained. However, identity may have to be disclosed to conduct a thorough investigation, to comply with the law and to provide accused individuals their legal rights of defense. Centralina will not retaliate against a whistleblower. This includes, but is not limited to, protection from retaliation in the form of an adverse employment action such as termination, compensation decreases or threats of physical harm. Any whistleblower who believes he/she is being retaliated against must contact the Human Resources Manager as promptly as possible. The right of a whistleblower for protection against retaliation does not include immunity for any personal wrongdoing that is alleged and investigated.

## CONFLICTS OF INTEREST, CONFIDENTIALITY & CODE OF CONDUCT

### SECTION 1: Conflicts of Interest

Centralina actively prohibits any actual or appearance of conflict of interest with clients, the community, member governments or within the organization by employees and members of the Board of Delegates.

A conflict of interest is considered an actual or perceived interest by a staff member in an action that results in (or could potentially result in) personal or professional gain.

It is not possible to list every activity or relationship that would create a conflict of interest but examples of activities that violate this policy include the following:

- An employees' interest in an outside business which conflict or appears to conflict with their ability to act and make independent decisions in the best interest of Centralina.
- Employees, members of employee's immediate family, and members of the Board soliciting or accepting gifts, money or gratuities (in excess of minimal value) from the following:
  - Persons receiving benefits or services from the organization.
  - Any person or organization performing or seeking to perform services under contract with the organization, and
  - Persons who are otherwise in a position to benefit from the actions of any employee of the organization.
- Using the resources of Centralina for personal gain, and
- Using your position at Centralina for personal advantage.

Any violation of this policy by a Centralina employee is subject to review under Centralina's Policy on Disciplinary Actions which are found in the Centralina Personnel Policy Manual.

Any violation of this policy by the Executive Director will be referred to the Board of Delegates.

Any violation of this policy by any member or members of the Centralina Board of Delegates will face appropriate action by the rest of the Board Members and in accordance with jurisdictional Code of Ethics policies.

*Note: The conflict of interest policy described above, may be superseded by higher requirements established by external funding sources or grant requirements.*

### SECTION 2: Confidentiality

During the course of employment staff may have access to confidential or proprietary information. Confidential information includes information disclosed to or known by the employee because of their employment or relationship with Centralina that is not generally known to people outside of the organization. This information might be disclosed through your participation on a Centralina project, program or initiative. Proprietary information might include non-public information that might be of use to competitors or harmful to the Centralina or its customers/clients if disclosed.

Any breach of confidentiality or misuse of information could result in disciplinary action up to and including termination of employment, even if the employee does not actually benefit from the disclosed information. The obligation to preserve proprietary information continues even after employment ends.

If there is any doubt regarding the types of information that is deemed to be confidential, the employee should seek counsel from the Executive Director, Department Director or Human Resources.

Members of the Centralina Board of Delegates also have an obligation to maintain confidential or proprietary information entrusted to them by the organization or its customers/clients, except when disclosure is authorized in writing by the Executive Director or required by laws or regulations.

If there is any doubt regarding the types of information that is deemed to be confidential, the Board of Delegates should seek counsel from the Executive Director.

### **SECTION 3: Record-Keeping, Financial Controls and Disclosures**

Centralina requires honest, accurate and timely recording and reporting of information in order to make responsible business decisions. All business expense accounts must be documented and recorded accurately in a timely manner. If you are not sure whether a certain expense is legitimate, please ask the Finance Director. Policy guidelines are also available from the Human Resources Manager. All of the organization's books, records, accounts and financial statements must be maintained in reasonable detail; must appropriately reflect the organization's transactions; must be promptly disclosed in accordance with any applicable laws or regulations and must conform both to applicable legal requirements and to the organization's system of internal controls.

### **SECTION 4: Personnel Actions**

Human Resources will prescribe necessary forms and reports for all personnel actions and will retain records necessary for the proper administration of the personnel system.

### **SECTION 5: Access to Personnel Records**

Centralina shall maintain the records deemed necessary for the proper administration of the personnel system. The official personnel files are maintained by Human Resources. These files contain documents such as employment applications, records of personnel actions, performance reviews, performance warnings, pay records, retirement and insurance records, and other personnel related documents. Only documents included in these files constitute official personnel records. The Executive Director and/or Human Resources are the only persons authorized to release information or provide access to an employee or ex-employee's Personnel File.

**Records of Former Employees.** The provisions for access to records apply to former employees as they apply to present employees.

**Employee Objections to Material in File.** An employee who objects to material in his/her file on grounds that it is inaccurate or misleading may seek to have the material removed from the file or may place in the file a statement relating to the material.

#### **SECTION 6: Public Information**

Certain information included in an employee's personnel file shall be considered public record; while other information in the employee's personnel file shall be treated as confidential in accordance with NC General Statute 153A-98; Privacy of Employee Personnel Records.

In accordance with General Statute 153A-98, the following information is a matter of public record: name, age, date of original employment or appointment to public service, current position title, current salary, date and amount of most recent increase or decrease in salary, date of most recent promotion, demotion, transfer, suspension, separation or other change in position classification, and the office to which the employee is currently assigned. Any person may have access to this information for the purpose of inspection, examination, and copying, during regular business hours.

All information contained in an employee's personnel file, other than the information mentioned above, is confidential and shall be open to inspection only in the instances listed in accordance with NC General Statute 153A-98. Confidential records are kept in a locked fire-retardant cabinet.

#### **SECTION 7: Penalties for Permitting Access to Personnel Records and Files**

A public official or employee who knowingly, willfully and with malice permits any person to have access to information contained in a personnel file, except as is explicitly permitted, is guilty of a Class 3 misdemeanor and upon conviction shall only be fined an amount not more than five hundred (500) dollars.

#### **SECTION 8: Examining and/or Copying Confidential Material Without Authorization**

Per NC General Statutes, any person, not specifically authorized to have access to a personnel file designated as confidential, who shall knowingly and willfully examine in its official filing place, remove or copy any portion of a confidential personnel file shall be guilty of a Class 3 misdemeanor and upon conviction shall only be fined in the discretion of the court but not in excess of five hundred (500) dollars.

#### **SECTION 9: HIPAA Compliance**

Centralina is committed to protecting the privacy, security, confidentiality, integrity and availability of individually identifiable protected health information in compliance with the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the regulations described there under. These policies and procedures apply to protected health information (PHI) created, acquired, maintained or disclosed by Centralina employees, subcontractors, business associates, vendors, volunteers and interns. All individuals representing Centralina will take responsibility for safeguarding protected health information to which they have access. The organization has designated a HIPAA Compliance Officer for breach reporting and action. More detailed information

regarding HIPAA policy and procedures can be found in Centralina’s Operations and Procedures Manual.

**SECTION 10: Code of Conduct**

The Code of Conduct covers a wide range of business practices and procedures. It does not cover every issue that may arise but sets out basic principles to guide all Centralina employees and members of its Board of Delegates. The following Centralina policies specifically pertain to the organization’s expectations regarding Code of Conduct:

- Equal Opportunity
- Conflicts of Interest
- Confidentiality
- Record-Keeping, Financial Controls and Disclosures
- Outside Employment

All employees and Board of Delegates must conduct themselves accordingly and seek to avoid even the appearance of improper behavior.

Centralina employees and Board of Delegates are responsible for understanding policy requirements and reporting any suspected violations of law, this code or Centralina policy.

Those who violate the standards of this policy will be subject to disciplinary action, including possible termination of employment or Board assignment. Furthermore, violations of this code may also be violations of the law and may result in civil or criminal penalties.

## EMPLOYMENT RELATIONSHIP

### SECTION 1: Employment Categories

It is the intent of Centralina to clarify employment classifications so that employees understand their employment status and benefit eligibility.

**Regular, full-time.** Employees (not on term status) regularly work at Centralina full-time schedule of 40 hours per week. Regular, full-time employees receive full sick and vacation leave and holiday pay and are eligible for Centralina's medical, life insurance, and retirement benefits according to Centralina personnel policies.

**Regular, part-time.** Employees (not on term status) regularly work less than the full-time schedule. Regular, part-time employees receive sick and vacation leave and holiday pay on a prorated basis and are eligible for Centralina's medical, life insurance, and retirement benefits if they continue to work on the average at 30 hours or more per week.

**Introductory employee.** A full time or part time regular employee who has not yet successfully completed the six-month introductory period of employment.

**Term employee.** A term employee is hired to assist with a specific project or to temporarily supplement the work force. A term employee is paid according to the terms of hire. Term appointments can be short-term in duration or for a period of time determined by the Department Director to meet the service needs of a particular program or project but shall not exceed limits set by the NC Local Governmental Retirement System. Personnel employed on term status only receive those benefits mandated by state or federal law. Term employees do not receive: vacation/sick leave, holiday pay, COLA's, health insurance, or retirement benefits. A term employee's work performance and status should be evaluated on a schedule determined by the Department Director or recommended by the Human Resources Manager. This ultimately ensures project goals and requirements are met. The terms of the employment agreement, assignments and any salary adjustments may be made at that time.

**Non-Exempt Employee.** Non-Exempt employees are covered by the Fair Labor Standards Act (FLSA) requirements regarding overtime and are entitled under specified conditions to overtime pay. (*The FLSA requires overtime compensation at time and one-half for hours worked over 40 hours per week, for "nonexempt" employees.*)

*Overtime.* Centralina employees may be requested to work overtime hours as necessitated by the needs of the organization and determined by the employee's supervisor and/or department director. In these instances, the employee's supervisor must give final approval of the additional hours worked. Employees who work overtime hours without prior approval from their supervisor may face disciplinary action.

Hours worked beyond the Fair Labor Standards Act (FLSA) established limit of forty (40) hours per week will be compensated in either compensatory time or pay at the established rates. Under the provisions of the FLSA, "non-exempt" employees must be paid overtime for hours worked over forty (40) in a workweek at a rate of one and one-half (1.5) times their regular hourly rate of pay.

Employees in positions determined to be “exempt” from the FLSA are not paid overtime and are expected to work the hours required to do their job in an effective and efficient manner.

*Compensatory Time.* Compensatory time off is time off with pay in lieu of overtime pay for irregular or occasional overtime work. As prescribed by the U.S. Department of Labor, employees of State or local government agencies may receive compensatory time off, at a rate of not less than one and one-half hours for each overtime hour worked, instead of cash overtime pay.

Any compensatory time accrued in excess of forty (40) hours must be used within forty-five (45) days of its accrual. There shall be no payout of these hours, except upon separation. No employee shall exceed the maximum balance of hours of compensatory leave allowed by FLSA.

An employee will be permitted to use compensatory time on the date requested unless doing so would “unduly disrupt” the operations of the agency. Employees who have accrued compensatory time must be granted compensatory time off rather than personal leave when leave is requested.

The employee’s supervisor is responsible for the administration of compensatory time off in lieu of overtime pay. An agreement between employees and the supervisor must be arrived at prior to the employees’ actually performing the work, as to the method to be used in compensating overtime hours worked.

**Exempt Employee.** Exempt employees are not covered by the overtime provisions because of standards and criteria established by the FLSA with regards to job duties. Under the FLSA, exempt employees are not entitled to overtime pay or compensatory time.

## **SECTION 2: Position Classification Plan**

The Position Classification Plan provides a complete inventory of all authorized positions in Centralina, and an accurate description and specification for each class of employment. The plan standardizes job titles, each of which is indicative of a definite range of duties and responsibilities. The Position Classification Plan shall be used as follows:

- As a guide in recruiting and examining applicants for employment.
- In determining lines of promotion and in developing employee training programs.
- In determining salary to be paid for various types of work.

## **SECTION 3: Pay Plan (Updated April 2023)**

The Pay Plan includes the basic salary schedule and the “Assignment of Classes to Grades and Steps” adopted by the Executive Board of Delegates. The schedule consists of the minimum and maximum rates of pay for all classes of positions.

Centralina seeks to recruit, develop, and retain qualified, high performing and motivated employees to fulfill the organization’s mission and strategic priorities while honoring the organization’s values. Fair, equitable compensation of employees is integral to this goal. Stated in

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simple terms, the compensation philosophy helps us in: recruiting and retaining top talent, improving job performance, being confident about compensation discussions with employees.

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The compensation philosophy will be reviewed periodically and modified based on how well it continues to support the recruitment and retention of exceptional employees and aligns with the organization's core values.

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The Pay Plan includes the basic salary schedule and salary range representing the minimum, midpoint, and maximum rates. The midpoint is set to provide market competitive, fair and equitable salaries based on the competitive marketplace for the organization. Best practice defines the midpoint means the employee meets essential responsibilities over time. Range maximums set the ceiling for a particular pay grade. Range minimums set the floor.

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#### SECTION 4: Administration and Maintenance of the Position Classification and Pay Plans

Centralina's Human Resources Manager, in coordination with the Executive Director, shall be responsible for the administration and maintenance of the Position Classification and Pay Plan and shall periodically review portions of the plans and recommend appropriate changes to the Executive Director.

#### SECTION 5: Starting Salaries (Updated April 2023)

All persons employed in positions approved by the Position Classification Plan shall be employed in at least the minimum rate for the classification in which they are employed except for employees in trainee status. Exceptionally well qualified applicants, however, may be employed above the minimum rate of the established salary range upon approval of the Executive Director.

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As the budget allows, Centralina shall apply the following compensation guidelines for new hires when the level of experience exceeds the position minimum years of experience:

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- Calculate 2% above the minimum for each year of directly related full-time experience, at the same level of position, in excess of the minimum requirements (excluding internships or fellowships).
- Calculate 1% above the minimum for each year of full-time work experience that is not directly related to the position functions, in excess of the minimum requirements.
- Calculate 2% above the minimum to reflect related industry certification or related advanced degree that exceeds the minimum requirement of the position.

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The initial offer may go as high as the pay range midpoint. Centralina will also review salary determinations for internal equity.

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#### SECTION 6: Trainee Designation and Provisions

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Applicants being considered for employment or Centralina employees who do not meet all the requirements for the position for which they are being considered may be hired, promoted, demoted, or transferred to a "trainee" status, at the recommendation of their supervisor to the Executive Director. In such cases, a plan for training the employee to meet the qualifications of the job, including a time schedule within which the employee should meet the job qualifications, must be prepared by the employees' supervisor and/or Department Director. "Trainee" salaries may be no more than two grades below the minimum salary established for the position for which the person is being trained.

If the training is not successfully completed to the satisfaction of Centralina, the trainee may be transferred or dismissed. If the training is successfully completed, the employee shall be paid at least the minimum rate established for the position for which the employee was trained.

### **SECTION 7: Introductory Period**

New employees and regular employees being transferred into new positions, shall complete an initial six months of satisfactory performance in the appointed position. This shall be referred to as "introductory employment period". The introductory employment period may be extended for an additional three months by the Executive Director.

The introductory employment period provides an opportunity for the appointee to adjust to the new job. Likewise, it serves as an orientation period during which one must demonstrate his/her ability to perform the work, to accept additional responsibility, to develop a desirable attitude and to work well for the public and with his/her fellow employees.

An employee serving an introductory employment period following initial employment may be dismissed at any time by the Executive Director without benefit of redress through the complaint procedure.

A regular employee serving a probationary employment period following a promotion may be demoted or dismissed if unable to satisfactorily perform the assigned duties of the new position. A regular employee may appeal such action in accordance with the complaint procedure. However, a regular employee who accepts a promotion does thereby waive any rights of expectations of returning to his previous position in the event he/she fails to succeed in the position to which he/she was promoted.

During their introductory employment period, new employees shall be entitled to all benefits possessed by regular employees.

During the introductory period, supervisors shall monitor the employee's performance and communicate with the employee concerning performance progress. Introductory employees shall receive a performance review at the end of six (6) months to discuss accomplishments, strengths and any needed improvements. (See the section on Performance Evaluations) The supervisor shall then recommend in writing to the Human Resources Manager whether the introductory period should be completed, extended or otherwise. Completion of the introductory period does not alter at-will status of employment.

**SECTION 8: Promotion (Updated April 2023)**

Promotion is a change in duty assignment and title of an employee from one position to another in a higher salary pay grade, involving a higher level of responsibility and increased qualifications, such as greater skills or longer experience. Requests for staff promotions will be reviewed as submitted for consideration.

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Candidates for promotion shall be chosen based on their qualifications. When a current employee is chosen for promotion, the promoting supervisor shall forward the request to the Human Resources Manager with recommendations for classification and salary along with reasons for selecting the employee over other internal applicants. After considering the supervisor's recommendation in consultation with the Human Resources Manager and Finance Director, the Executive Director shall confirm or reject the appointment. If the Executive Director confirms the appointment, he or she shall approve the starting salary for the employee. Employees within their initial probationary period of employment with Centralina are not eligible for a promotion.

Based on available budget, employees being promoted will be given the minimum of the new paygrade or up to 7.5% promotional base salary increase. An internal equity review will also be conducted whenever a staff member is promoted. The purpose of the promotion pay increase is to recognize and compensate the employee for taking on increased responsibility. This decision, however, shall be at the Executive Director's discretion approval and again based on business conditions available budget.

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~~When an employee is promoted, the employee's salary shall normally be advanced to the minimum of the new position or to a salary which provides an increase of at least five (5) percent over the employee's salary before the promotion, provided, however, the new salary does not exceed the maximum rate of the new salary range. The purpose of the promotion pay increase is to recognize and compensate the employee for taking on increased responsibility. This decision, however, shall be at the Executive Director's discretion and based on business conditions.~~

**SECTION 9: Demotion**

Demotion is the movement of an employee from one grade level to a lower grade level. An employee whose work or conduct in the current position is unsatisfactory may be demoted provided that the employee shows promise of becoming a satisfactory employee in the lower position. Such demotion shall follow the disciplinary procedures outlined in this Personnel Manual and be made in accordance with Centralina's Classification and Pay Plan.

When a current employee is identified for a demotion based on unsatisfactory work or conduct, the employee's supervisor shall forward the request to the Human Resources Manager with the recommendations for classification and salary along with reasons for the demotion. After reviewing the supervisor's recommendation and in consultation with the Human Resources Manager, the Executive Director shall confirm or reject the action. If confirmed, the employee shall then be provided with written notice citing the recommended effective date of the demotion, the reasons for the demotion and the appeal rights available to the employee as stated in this manual.

An employee who wishes to accept a position with less complex duties and reduced responsibilities may request a voluntary demotion. A voluntary demotion is not a disciplinary action and is made without using the procedures related to corrective action.

**SECTION 10: Lateral Transfer**

A Lateral Transfer is the movement of an employee from one position to a position in a class in the same salary range. If a vacancy occurs and an employee in another department is eligible for a transfer, the employee can apply for the transfer using the usual application process. The request for transfer shall be subject to approval of the Executive Director.

The department director wishing to transfer an employee to a different department or classification shall make a recommendation to the Executive Director with the consent of the receiving department director. ~~An employee who has successfully completed the introductory employment period may be transferred into the same classification without serving another orientation period.~~ The salary of an employee reassigned to a position in the same class or to a position in a different class within the same salary range shall not be changed by the reassignment.

Staff must be in their current position/role for a minimum of 6 months for transfer consideration; for transfer consideration the employee must also have a good performance and attendance record.

The first six (6) months in the new position is the introductory period and a performance evaluation shall be conducted at the completion of this period.

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**SECTION 11: Reclassification**

A reclassification is a change in a position from one grade to another based on a significant change in job duties and level of responsibility.

It is the responsibility of the supervisor to identify significant changes in job responsibility and to initiate a reclassification review. The department director may make a recommendation to the Human Resources Manager for the review of a position for reclassification. Along with the position and salary recommendations the department director should also include any recommendation for a new job title. The position review could result in a higher classification, a lower classification or no change to the position.

An employee whose position is reclassified to a class having a higher salary range shall receive a pay increase of at least five (5) percent or an increase to the minimum rate of the new pay range, whichever is higher. This decision, however, shall be at the Executive Director's discretion and based on business conditions.

If the position is reclassified to a lower pay range, the employee's salary shall remain the same. If the employee's salary is at the maximum established for the new range, the salary of that employee shall be maintained at the current level until the range is increased above the employee's salary.

## SECTION 12: Merit Increases

Depending upon the allocation of funds by the Centralina Executive Board, employees may be eligible for consideration for increases in compensation based on the performance evaluation process. Recommendations shall be submitted in writing by the supervisors and final decision on the allocation of merit increases shall be made by the Executive Director with input from the Finance Director. Merit increases may occur until such time as the employee achieves the top salary in their range.

To be eligible for a merit increase, an employee must be employed with at least six months of continuous service prior to the merit award effective date.

~~Similarly, newly promoted employees must be in the new position for at least six months before the merit award date in order to receive the merit increase.~~

## SECTION 13: Bonuses, Across-the-Board Pay Adjustment and Other Awards

**Staff performance bonuses.** At certain times during the year, Centralina may decide to implement a bonus plan as a means to promote productivity and to provide an immediate and visible recognition of employee contributions. These bonuses may recognize individual employee contributions in instances where the employee has exceeded expectations for exceptional performance or may be awarded to the entire Centralina staff in recognition of the organization's good works. The authorization of a performance bonus plan shall be approved by the Executive Board upon the recommendation of the Executive Director.

Individual recommendations for staff performance bonus shall be made by ~~supervisors department directors~~ and subject to the ~~approval of the following~~ framework ~~outlined:~~

- ~~• Department directors can recommend a staff performance bonus for staff engaged in temporary but ongoing work responsibilities that is in addition to or beyond an employee's current job classification.~~
- ~~• For staff to be considered for this bonus they must be:
  - ~~o Doing something that is not in their job description or encompassed within the department's work;~~
  - ~~o Doing temporary but regularly occurring work (meaning more than one or two times),~~~~
- ~~• For every 3 months of time incurred in this work the staff member will receive up to \$500.~~
- ~~• Staff Performance Bonuses shall be grossed up and shall be paid out on a quarterly basis.~~
- ~~• Bonuses are dependent on available budget and must be reviewed by finance and approved by the Executive Director.~~

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- Staff performance bonuses will be available to regular full or part-time employees who have completed their introductory employment period as indicated by the employee’s supervisor.

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**Bonus in lieu of salary adjustments.** Employees who are at or near the maximum of the salary range for their position classifications are eligible to be considered for a performance bonus following the completion of their annual performance evaluation. Performance bonuses shall be awarded generally based upon the performance of the employee as described in the performance evaluation and shall be the same percentage of review period as employees within the salary range with the same performance level. Performance bonuses do not become part of base pay and shall be awarded to the employee on a quarterly basis. -in a lump sum payment.

**Across-the-Board Pay Adjustment.** Depending on financial conditions, the Centralina Executive Board may approve an Across-the-Board Adjustment in appreciation of staff’s commitment and collective organizational achievements, in recognition of any increases in cost of living or to maintain market compatibility. To be eligible for an Across-the-Board pay adjustment an employee must be employed with at least three months of continuous service prior to the effective date of the pay adjustment.

**Peer-to-Peer awards.** The peer-to-peer award program is an opportunity for Centralina staff to appreciate and recognize contributions of their colleagues. Through this program, a staff member can nominate a colleague as a gesture of their appreciation and the nominee will receive a gift card in a nominal amount.

All regular full-and-part time staff, interns, temporary staff and SCSEP program participants will be eligible to receive an award under this program.

The Human Resources Manager shall manage this awards program, in coordination with the Finance Director. Amounts of the individual award, frequency and total budget will be determined on an annual basis.

#### **SECTION 14: Timesheets**

Employees are required to provide an accurate accounting of hours worked and leave used during a pay period on the biweekly timesheet. Employees will be provided with the appropriate cost center(s) in which to charge their time which corresponds to the work that the employee is assigned. Centralina employees must complete an electronic timesheet, which will be verified and approved by the employee’s supervisor. These timesheets will then be retrieved electronically by the Finance Department for processing. To ensure timely processing, timesheets will be due at a time established by the Finance Department.

#### **SECTION 15: Payday**

Any payments for compensation issued by Centralina will be paid by direct deposit. The regular payday for all Centralina employees and other individuals receiving compensation from Centralina shall be every other Friday by method of direct deposit to their designated bank account.

If the agency's financial position necessitates, the Executive Director shall have the authority to combine all the pay periods during a month to pay the employees on the last regularly scheduled Friday payday in the month.

The Executive Director shall have the authority to issue checks to deliver pay in the event direct deposit becomes infeasible or temporarily inoperable.

**Final Pay.** An employee that has separated employment for any reason will be paid through the last day of work, plus any unused vacation (not to exceed the limit of accrued maximum days) and sick (at the rate of one-third days' pay for each day of accumulated sick leave, not to exceed a maximum of 15 days if employed before January 1, 2018) leave that is owed.

It is the responsibility of the employee's supervisor and/or department director to ensure that Finance receives the terminating employee's timesheet in sufficient time for processing.

An employee's payout of any accrued and unused leave shall normally occur two weeks after the regular payday.

#### **SECTION 16: Hardship Policy**

Centralina has created a Hardship Policy to help prevent a debt spiral for Centralina employees, when a specific emergency event creates an acute financial problem that can be solved with a limited payout of earned vacation leave.

Employees must submit a written request of the specific hardship that necessitates a payout of earned vacation leave. The employee's request must include the specific hardship, the circumstances involved, and the amount needed.

The employee may request a payout of earned vacation leave in the amount of \$500 to \$1,200. Employees are limited to one (1) hardship payout every three (3) years, must be in good standing with their supervisor and a full-time employee.

1. Eligible Hardships: In order for the hardship request to be approved, the employee must have suffered one of the following hardships within the three months preceding the request:
  - Severe illness, injury, or emergency dental work of employee;
  - Severe illness or injury of employee's immediate family member;
  - Death of employee's immediate family member;
  - Major loss/damage to primary residence due to disaster such as fire, flood, or hurricane;
  - Job loss by a household member that creates a deficit in household income; or
  - Victim of domestic violence with immediate need for safe housing
2. Ineligible: Non-emergency reasons for which requests cannot be granted include:
  - Money needed to pay for vacation expenses; or
  - Personal purchases or gifts for others on holidays or special occasions
3. Financial difficulties that pre-date this hardship (three months) or are ongoing in nature are beyond the scope of this policy.

4. All applicable taxes will be deducted from the payout amount including FICA, Medicare and Retirement and Federal and State taxes (depending on the payout amount).
5. After the payout amount, the employee must still have at least 25% of available leave in their vacation bank.
6. Payouts will ordinarily be available within three to five business days following review and approval of the request.
7. Employees will be limited to one (1) hardship payout of vacation leave every three (3) years.

### **SECTION 17: Separation of Employment**

All separation of employees from positions in the service of Centralina shall be designated as one of the following types and shall be accomplished in the manner indicated: resignation, reduction in force, furlough, disability, voluntary retirement, dismissal, or death.

**Resignation.** Varying circumstances can cause employees to voluntarily resign employment. Employees are asked to follow the procedure below to ensure minimal disruption to ongoing work functions.

A minimum of two (2) weeks' notice is requested of all resigning personnel. Such notice should be given to the department director (or in the case of department director, to the Executive Director) and forwarded to Human Resources for appropriate action. Employees who provide the requested amount of notice will be considered to have resigned in good standing and generally will be eligible for rehire.

Not providing the requested two (2) weeks' notice could result in the forfeiture of accumulated vacation and sick leave payouts (if applicable) and the individual may be deemed ineligible for rehire. The Executive Director has the right to waive the resignation requirement when it is in the best interest of the organization.

Please note that three (3) consecutive days of absence without contacting the immediate supervisor or department director may be considered to be a voluntary resignation. (However, in the case of an extreme circumstance such as serious illness that has caused the absences, the employee should contact or have his/her agent contact the organization as soon as practicable to explain the situation.)

Sick leave will only be approved during the final two (2) weeks of a notice with a physician's certification or comparable documentation.

In most cases, Human Resources will conduct an exit meeting on or before the last day of employment to collect all company property and to discuss final pay. If applicable, information regarding benefits continuation through the Consolidated Budget Reconciliation Act (COBRA) will be sent to the employee's home address.

**Reduction in Force.** In the event that a reduction in force becomes necessary, consideration shall be given to the quality of each employee's past performance, organizational needs and



seniority in determining those employees to be retained. When possible, employees who are laid off because of reduction in force shall be given at least two (2) weeks' notice of anticipated lay-off or generally two (2) weeks' severance pay or an amount determined by the Executive Director. No regular employee shall be laid off while there are temporary employees serving in the same class in the department, unless the regular employee is not willing to transfer to the position held by the temporary employee.

**Furlough.** Furlough is the placement of an employee in a temporary leave without pay status for a specified number of hours or days within a specified time frame. This may be necessitated by financial emergency, including revenue shortfalls, caused by events such as a natural disaster, pandemic and/or sudden, dramatic and unexpected conditions outside the control of the organization where operational needs may have changed and it may become necessary to implement furloughs as one cost-saving measure.

A furlough may consist of (a) reduced number of work hours in a day with proportionate reduction in pay; (b) reduced number of workdays in a week with proportionate reduction in pay; or (c) specific days off without pay. A furlough is not a layoff or reduction in force. Furloughs will be conducted in a manner that is fair and consistent and Centralina will continue to take responsible steps to address its economic and operational circumstances. Once a furlough has ended, affected employees will usually be reinstated to the position held at the time of the furlough.

**Disability.** The NC Local Governmental Employees' Retirement System (LGERS) disability retirement provides payments to its members in the form of monthly disability retirement benefits an employee is vested in the retirement system and becomes disabled while they are a regular employee under LGERS and meets certain eligibility requirements. The employee must refer to the LGERS Disability Retirement Eligibility Requirements for more information.

**Voluntary Retirement.** An employee who meets the conditions set forth under the provision of the North Carolina Local Governmental Employees' Retirement System may elect to retire and receive all benefits earned under the retirement plan.

**Dismissal.** An employee may be dismissed in accordance with the provisions and procedures outlined in the Unsatisfactory Job Performance and Failure in Personal Conduct section.

**Death.** The date of death shall be recorded as the separation date for computing compensation due. Any death benefits will be paid to the estate of a deceased employee.

#### **SECTION 18: Reinstatement and Rehiring**

An employee who is separated because of reduction in force may be reinstated within one year of the date of separation, upon recommendation of the department director, and upon approval of Executive Director. An employee who is reinstated in this manner shall be re-credited with his/her previously accrued sick leave.

A former employee who was employed in a regular position for at least one (1) full year or more and who resigned in good standing, may be considered for re-employment provided his/her qualifications are suitable for a vacant position.

**Recovery of Leave Status.** The re-hired employee will regain his/her previous years of service eligibility for vacation leave accrual. On all other benefit terms and conditions, the re-hired employee shall be treated as a new employee.

## WORKPLACE SAFETY & EMERGENCIES

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### SECTION 1: Commitment to Safety

Centralina is committed to establishing a safe work environment for employees and shall establish policies and procedures regarding safety practices and precautions as needed and/or required. Further, employees are expected to work in a safe and responsible manner during the performance of their duties and shall notify their supervisor in the event of an injury or property damage occurring in the office or while on business for Centralina. All employees are encouraged to partner with management to ensure maximum safety for all.

In the event of an emergency, employees must notify the appropriate emergency personnel by calling 911.

### SECTION 2: Drug-Free Workplace Policy

In compliance with the Drug-Free Workplace Act of 1988, Centralina is committed to providing a safe and productive work environment for its employees. Alcohol and drug abuse pose a threat to the health and safety of Centralina employees and to the security of our equipment and facilities.

This policy statement outlines the practice and procedure designed to correct instances of identified alcohol and/or drug use in the workplace.

**Work Rules.** Centralina employees are not to arrive at work or conduct Centralina business (whether or not the employee is actually on work premises at the time) while under the influence of alcohol or illegal drugs. This policy also covers the times when employees are driving Centralina vehicles.

Centralina further prohibits all employees, including employees performing work under contracts, from possessing, selling, or distributing alcohol or illegal drugs at the workplace or while conducting company business. Illegal drug use also includes the misuse of otherwise legal prescriptions and over-the-counter drugs.

**Employee Assistance and Drug-Free Awareness.** Illegal drug use and alcohol misuse have a number of adverse health and safety consequences. Information about these dangers and sources of help for drug/alcohol problems are available through Centralina's Employee Assistance Program. Employees who think they may have an alcohol or drug usage problem are urged to voluntarily seek confidential assistance from Centralina's Employee Assistance Program. Centralina will assist and support employees who voluntarily seek help for such problems before becoming subject to discipline and/or termination.

Employees who have work performance related problems and who continue to be substance abusers and refuse to seek help or continue substance abuse even while enrolled in counseling or rehabilitation programs will be subject to disciplinary action up to and including termination.

**Crimes Involving Drugs.** Centralina does not wish to intrude into the private lives of its employees but recognizes that employee's off-the-job involvement with drugs and alcohol may have an impact on the workplace. Therefore, Centralina reserves the right to take appropriate disciplinary action for drug usage/sale/distribution while off company premises. All employees who

are convicted of, plead guilty to, or are sentenced for a crime involving illegal drugs or alcohol are required to report the conviction, plea or sentence to their supervisor within five days. Failure to comply will result in disciplinary action up to and including termination.

### **SECTION 3: Workplace Violence Prevention**

Centralina is committed to providing a safe, violence-free workplace for our employees. Due to this commitment, we prohibit employees from engaging in any physical confrontation with a violent or potentially violent individual or from behaving in a threatening or violent manner. Threats, threatening language, or any other acts of aggression or violence made toward or by any employee will not be tolerated. A threat may include any verbal or physical harassment or abuse, attempts to intimidate others, menacing gestures, stalking, or any other hostile, aggressive, and/or destructive actions taken for the purposes of intimidation. This policy covers any violent or potentially violent behavior that occurs in the workplace or at company-sponsored functions.

All Centralina employees bear the responsibility of keeping the work environment free from violence or potential violence. Any employee who witnesses or is the recipient of violent behavior should promptly inform their department director, supervisor or Human Resources. All threats will be promptly investigated. No employee will be subject to retaliation, intimidation, or discipline as a result of reporting a threat in good faith under this guideline.

Any individual engaging in violence or presenting the threat of violence against the organization, its employees, or its property will be prosecuted to the full extent of the law. All acts will be investigated, and the appropriate action will be taken. Any such act or threatening behavior may result in disciplinary action up to and including termination.

**Weapons.** Centralina prohibits the possession of weapons on its property at all times, unless in official capacity. This includes the building and parking lots. Weapons include, but are not limited to, handguns, rifles, automatic weapons, and knives that can be used as weapons (excluding pocketknives, utility knives, and other instruments that are used to open packages, cut string, and for other miscellaneous tasks), martial arts paraphernalia, stun guns, and tear gas.

Additionally, Centralina employees must also adhere to the policy statements of other local governments and businesses as it relates to weapons while at those locations for Centralina business.

### **SECTION 4: Emergency Closings and Inclement Weather**

Centralina will always make every attempt to be open for business. However, in emergency situations the Executive Director may advise employees to leave the office or not come into the office due to emergency conditions. In this instance the Executive Director will implement an emergency plan for operations and the employee may utilize vacation leave and/or temporarily work from home.

In cases of inclement weather, the Centralina office shall also make every attempt to be open for business. However, employees are asked to use their best judgment and if they believe the driving conditions are beyond their comfort level, the employee may utilize vacation leave and/or temporarily work from home. The Executive Director also reserves the right to close the office in

extreme circumstances.

In both instances of an emergency closing and inclement weather, employees who have exhausted their vacation leave and do not utilize the option of working from home may elect to receive leave without pay by notifying their supervisor.

Temporary work from home arrangements due to emergency closings and office closure due to inclement weather are allowed by the Executive Director on an as-needed basis only; employees not approved for an alternative work arrangement (SeeXX) are expected to return to their normal work schedules once directed.

#### **SECTION 5: Administrative Leave with Pay Due to Emergency Closing**

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.

## WORKPLACE GUIDELINES

### SECTION 1: Residency

As a condition of employment, all persons employed subsequent to the adoption of this manual shall establish and maintain residence within the boundaries of the Centralina Region "F" within nine months from the beginning date of employment. Exceptions to this policy may be granted by the Executive Director.

### SECTION 2: Employee Orientation

The purpose of the employee orientation is to ensure that new employees have the opportunity to gain a better understanding of their job responsibilities. The Human Resources Manager will be responsible for initially acquainting the new employee with the basic information needed to accomplish this objective including providing an overview of benefits and other information related to the employment process.

Department directors and supervisors are expected to continue the orientation process for new employees by explaining departmental procedures and specific job assignments.

### SECTION 3: Office Location & Hours

Centralina maintains an office location as its principle place of business for the organization and all employees. Employees shall use the Centralina location as their business address for official correspondence and identification; and as their principle place of work unless alternative work arrangements have been approved (See Section 4 below).

The standard office hours for Centralina shall be from 8:00 a.m. to 5:00 pm; Monday through Friday. The payroll week shall be Saturday at 12:00 a.m. to Friday at 11:59 p.m.

### SECTION 4: Work Schedules & Alternative Arrangements

Centralina has the expectation that all employees follow an established work schedule that meets the operational needs of their department and the organization. Centralina allows for flexibility in individual work schedules which permits employees to vary their arrival and/or departure times from the standard office hours. These schedules are a matter of agreement between the Department Director and/or supervisor and the employee, provided the majority of the employee's workday occurs during standard office hours. An employee's work schedule shall be assessed on an ongoing basis during the performance review period and may be suspended or cancelled at any time. Employees are expected to fulfill necessary job duties, i.e. meetings, coverage, deadlines regardless of their work schedule.

Due the nature of the organization, many employees may have job duties or responsibilities that require them to visit locations within and outside of the region. Centralina expects clear communication between employees and their Department Director and/or Supervisor when they have occasional business outside of the office. Employees providing services outside of the office

on a regular basis shall have their schedules approved in advance by their Department Director and/or supervisor.

Once an employee's work schedule is established, there may be situations when additional flexibility in work schedule and/or location is desired. In these situations, an employee may request an alternative work arrangement as follows:

- Flex Work Arrangement: request to alter an established work schedule and/or location on an occasional basis.
- Work from Home Arrangement: request to establish a set day(s) to work outside of the Centralina office and at home.
- Compressed Work Schedule: request to compress hours in an 80-hour work week to nine business days.

See Sections 4a-4c below for additional information.

#### **SECTION 4a: Flex Work Arrangement**

The employee may request a flex work arrangement, a variation in their established work schedule or location, due to unusual personal circumstances, unusual workloads, or in the interest of more efficient operations. Flex work arrangement requests shall be limited in duration and be requested in response to a specific situation; examples can include but are not limited to:

- Alternate hours due to travel or appointments.
- Alternate hours due to after-work or evening Council, Board or Committee meetings.
- Work from home prior to an appointment to close to an employee's residence.
- Work from home to supervise contractors or technicians completing work at the employee's residence.
- Work from home following a medical procedure as recommended by a physician.

Employees shall request a flex time arrangement in advance from their supervisor. The supervisor will approve or deny the flextime request based on staffing needs, the employee's job duties, the employee's work record and the employee's ability to temporarily or permanently return to a standard work schedule when needed.

All Centralina employees are eligible to request flex time regardless of their employment status.

#### **SECTION 4b: Work from Home Arrangement**

Centralina considers working from home a viable, flexible work arrangement when both the employee and the job are suited for it. Working from home may be appropriate for some employees and jobs but not for others. It is not an employee right, nor is it an organizational wide benefit and it in no way changes the terms and conditions of employment.

Employees may request the option to work outside of the Centralina office at their home on a set day or days of the week via an established and approved work schedule. Under this policy, employees may request to work from home up to 3 days (or 24 hours) in a work week.

The work from home alternative work arrangement is not for occasional or temporary work outside of the office (see Section 4a above); rather it is a set change to the employee's established work schedule and requires high level of predictability. Employees that require occasional flexibility with their approved work from home schedule may seek advance approval from their supervisor via the Flex Work Arrangement policy (See Section 4a above).

The remainder of this section outlines eligibility and general terms of the work from home arrangements offered by Centralina. All employees whose work from home arrangements have been approved shall be required to sign a "Work from Home Agreement" which outlines the specific terms and conditions of the arrangement.

Centralina expects that the employee working from home maintain an acceptable level of performance and productivity. Thus, a work from home arrangement is subject to ongoing review by the employee's supervisor and may be terminated at any time by either the employee or the supervisor (although it is recommended that prior notice be given and a mutual agreeable end point established).

**Eligibility.** Employees who are eligible for a work from home arrangement shall:

1. Have completed their initial Introductory Period of employment.
2. Have portable job duties as defined by Human Resources.
3. Consistently meet or exceed the performance expectations of their position as documented in past performance evaluations or other established means.
4. Designate a worksite suitable for working at home.
5. Attest that they will limit distractions and interruptions from dependents and others in the home during core office hours.
6. Be reliable in meeting their day-to-day responsibilities effectively.
7. Be able to work independently and productively with minimal supervision. To be productive in a work from home capacity, the employee must:
  - Be fully proficient in all job functions as defined by the job description.
  - Be available to attend staff meetings, training, etc. and adjust their work at home schedule if and when business needs dictate.
  - Consistently work independently with limited intervention by their supervisor.
  - Demonstrate the ability to learn and communicate using remote applications, in lieu of face-to-face interactions (e.g., e-mail; telephone; conference calls, video calls).
  - Demonstrate conscientiousness about work time and productivity, and self-motivation.
  - Be able to communicate effectively with supervisors, co-workers, clients, vendors and Centralina members.

**Request and Approval Process.** Employees shall complete a Work from Home Arrangement request form and submit to their Department Director for review. The Department Director can either deny the request or forward the request to Human Resources with a recommendation for



approval. Human Resources Manager shall approve all requests, except for the following which are subject to approval by the Executive Director: (1) requests from any Centralina supervisor; (2) requests seeking approval for 3 days per week or more than 8 days per month. Department Directors shall notify Human Resources of any denied requests. The Human Resources Manager shall work with the Department Director and employee to customize the Work from Home Agreement template; the final draft of the Agreement shall be signed by the employee, Department Director and Executive Director.

**Compensation and Work Hours.** The employee's compensation, benefits, work status and work responsibilities will not change due to participation in the work from home arrangement. The amount of time the employee is expected to work per day or pay period does not change as a result of participation. Hourly employees will continue to be required to clock in and out each day.

**Location and Leave.** Employees are expected to be working at their home during their work from home schedule. Employees are discouraged from working from public locations for extended periods of time due to potential internet security issues and privacy concerns; employees participating in video or conference calls from public locations should be cognizant of their surroundings. Rest and recovery are critical for employee wellbeing and is a core Centralina value; therefore, Centralina does not allow "working vacations" (working either full time or partial time from a remote location) except for special circumstances and with a supervisor's prior approval. Personal leave time normally scheduled during a teleworking employee's scheduled workday must be arranged in the same manner with their immediate supervisor as employees at the centrally located worksite.

**Policies.** Employees who are approved for a work from home arrangement remain obligated to comply with all Centralina policies and procedures, practices and supervisor instructions.

**Privacy and Safety.** Employees shall retain the Centralina office as their primary mailing and business correspondence address; and are advised not to release their home address and telephone number while conducting Centralina business. Employees are prohibited from meeting with clients, member governments, vendors or other external parties at their home.

**IT Equipment.** Centralina may provide specific IT tools or equipment for the employee to perform their current duties at home; an IT assessment will be part of the request form and work from home agreement. Any Centralina equipment that is taken offsite will be inventoried and must be returned at the conclusion of the work from home period. The use of equipment, software and other peripherals when provided by Centralina for business use is limited to the employee; the employee is responsible for maintaining equipment in good working condition and promptly notifying Centralina of any broken, damaged or malfunctioning components. Employee shall follow all IT policies and procedures while working from home.

**Office Supplies and Functions.** Office supplies are centrally provided by Centralina; employees working from home may request office supplies through the online Administrative Work Request system. All printing, copying, mailing and other business functions shall be completed at the Centralina office. Centralina will not reimburse out-of-pocket expenses for office supplies, printing

or copying; Department Directors may approve out-of-pocket expenses in special circumstances and with prior approval by the Finance Director.

**Mileage.** Employees attending in-person meetings or events on scheduled work from home day(s) shall follow Centralina's mileage reimbursement policy.

**Work-Space Requirements.** Permission to work from home is dependent upon the employee having a suitable work location at home that meets the requirements set forth below:

- A dedicated workspace to limit distraction in the home and safely secure all business information or work product.
- Reliable, secure and high-speed internet connection.
- Access to all required Centralina systems and platforms.
- Ability to keep equipment and files accessible to the employee yet safeguarded from access by other members of the household and visitors.

**Tax, Liability and Worker's Compensation.** Centralina's main office shall remain the employee's primary place of work. It is the employee's responsibility to determine any income tax implications of maintaining a home office area. Centralina will not provide tax guidance nor will Centralina assume any additional tax liabilities related to an employee's work from home arrangement. Employees are encouraged to consult with a qualified tax professional to discuss income tax implications.

Employees are covered by workers compensation during the performance of official Centralina business at the home worksite during work hours. The employee shall report work-related injuries immediately to their Supervisor and comply with all Centralina reporting requirements established for the purpose of reporting such claims. Centralina is not liable for injuries to third persons, including family members, at the home worksite and is not liable for damages to the employee's personal or real property.

**Supervisor Responsibilities.** Expectations of supervisors managing employees under work from home arrangements include:

- Monitoring internal and external relationships and mitigating potential impacts from remote work.
- Utilizing effective communication and reporting systems to measure employee productivity and performance.
- Conducting regular reviews with the employee to provide feedback and evaluate the success of the arrangement.
- Ensuring a consistent approach to team or department management irrespective of individual employees' approved work arrangements.
- Ensuring a fair and equitable process in work distribution and assignments.

#### **SECTION 4c: Compressed Work Arrangement**

Centralina considers a compressed work schedule to be a viable, flexible option when both the employee and the job are suited to such an arrangement. A compressed work arrangement is a set change to the employee's established work schedule whereby an employee works the 80 hours of a pay period in nine business days; the resulting schedule is 8 x nine-hour days, 1x eight-hour day and one day off every pay period.

A compressed work schedule may be appropriate for some employees and jobs but not for others. It is not an employee right, nor is it an organizational wide benefit and it in no way changes the terms and conditions of employment. A compressed work arrangement is subject to ongoing review by the employee's supervisor and may be terminated at any time by either the employee or the supervisor (although it is recommended that prior notice be given and a mutual agreeable end point established).

Employees may not combine a Compressed Work with a Work from Home Arrangement.

**Eligibility.** Employees who are eligible for a compressed work arrangement shall:

1. Be a full-time employee.
2. Have completed their initial Introductory Period of employment.
3. Have job duties suitable for a compressed schedule as defined by Human Resources.
4. Consistently meet or exceed the performance expectations of their position as documented in past performance evaluations or other established means.
5. Be able to work independently and productively to meet day-to-day responsibilities within a compressed schedule.
6. Demonstrate conscientiousness about work time and productivity, and self-motivation.
7. Be able to communicate effectively with supervisors, co-workers, clients, vendors and Centralina members.

**Request and Approval Process.** Employees shall complete a Compressed Work Arrangement request form and submit to their Department Director for review. The Department Director can either deny the request or forward the request to Human Resources with a recommendation for approval. Human Resources Manager shall approve all requests. Department Directors shall notify Human Resources of any denied requests.

#### **SECTION 5: Employment of Relatives**

No member of the immediate family of members of the Centralina Board of Delegates may be hired by Centralina. This provision shall not apply to an employee's family member who is appointed to the Board of Delegates subsequent to the hiring of the employee.

Centralina prohibits the hiring and employment of relatives in regular positions within the same work unit. Further, no employee shall be in position to supervise relatives. For the purposes of this policy, relatives include: spouse, parent, child, sibling, in-law, grandparent, grandchild, aunt, uncle, cousin, step-relative, or any individual with whom an employee has a close personal relationship and where an actual conflict of interest or the appearance of a conflict of interest could arise.

In the event, that two employees become related while working for Centralina, and hold regular positions within the same work unit, one employee will have to transfer to another position within Centralina.

## **SECTION 6: Outside Employment**

Employees are not prohibited from other employment. However, the work of Centralina shall have precedence over other occupational interests of employees. Outside employment for salary, wages or commission or self-employment by an employee must be approved in advance by the employee's Department Director with notification to Human Resources if the work activities are related to the employee's responsibilities at Centralina or if the employer (or client in the case of self-employment) is a Centralina partner, vendor or other stakeholder. Approval or denial will be based on possible conflicts of interest, any interference with the employee's ability to perform their duties for Centralina and interference with the employee's regular working hours. Activity related to outside employment may not take place during the employee's regular hours nor involve the use of Centralina's resources.

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Outside employment will present a conflict of interest if it has any type of negative impact or potentially negative impact on Centralina or its operations. Please see the policy on *Conflicts of Interest*. The department director and/or supervisor shall consult the Executive Director on areas of concerns and/or ambiguity.

Any employee who is permitted to hold outside employment is still expected to demonstrate satisfactory performance in his or her job responsibilities with Centralina; will be evaluated by the same performance standards; and will be subject to Centralina's scheduling demands, regardless of any existing outside work requirements.

If Centralina determines that an employee's outside work requirements interfere with performance or the ability to meet the requirements of Centralina, the employee may be asked to terminate the outside employment and be given a specified period of time to complete that separation.

**External Activities.** Any employee who wishes to serve in an advisory capacity for another organization or serve on the board of any organization that may in anyway influence work time or be a potential conflict with Centralina mission/goals, must first obtain approval from the Executive Director. The Centralia Board Chair shall approve such requests made by the Executive Director. Approval will be granted based on possible conflict of interest; the amount of time and type of activity involved; any interference with the employee's regular work schedule; and the benefit to the employee and Centralina.

**Honoraria.** Employees may, with the prior written approval of the Executive Director, receive honoraria for lectures and other such activities while on personal days, annual leave, or leave without pay. If the employee is acting in any official capacity, honoraria received by an employee in connection with activities relating to employment with the Centralina are to be paid to Centralina.

## **SECTION 7: Political Activity**

Every employee has a civic responsibility to support the principle of good government. Employees

may join or affiliate with civic organizations of a partisan or political nature, may attend political meetings, and may advocate the principals or policies of civic or political organization in accordance with the constitution and laws of the United States and the State of North Carolina.

However, employees shall not:

- Engage in any political activity while on duty.
- Use official Centralina communications (to include social media and the Centralina website) to share political comments or views.
- Be required as a duty of his/her office in any organization or of his/her employment to contribute funds to any political purpose.
- Solicit, or act as a custodian of funds for a political purpose.
- Solicit a political contribution of other employees.
- Use any supplies or equipment of Centralina for political purpose.
- Hold any publicly elected governmental office.
- Hold any campaign office for or on behalf of any candidate for public office.

Employees should consult their department director, supervisor or Executive Director on any areas of concern and/or ambiguity.

**SECTION 8: Performance Evaluation**

The performance evaluation process is intended to assist in the development of each employee’s full potential and to improve effectiveness and efficiency of Centralina operations.

Department Directors and/or Supervisors shall conduct Annual Performance Evaluations with their employees. The Annual Performance Evaluation Cycle is July 1 through June 30 with the following key dates:

July 1 – July 31	<ul style="list-style-type: none"> <li>• Evaluation cycle opens</li> <li>• Supervisor discusses goal setting expectations with staff for the fiscal year</li> <li>• Staff drafts goals for feedback from supervisor</li> </ul>
August 1	<ul style="list-style-type: none"> <li>• Online evaluation form is opened for staff to input their goals</li> <li>• Goals are finalized in the evaluation tool</li> </ul>
August 1 – March 31	<ul style="list-style-type: none"> <li>• Ongoing feedback and guidance</li> <li>• Mid-year check in to provide feedback and check progress on goals</li> </ul>
April 1	<ul style="list-style-type: none"> <li>• Period officially opens for self-evaluations</li> </ul>
May 15	<ul style="list-style-type: none"> <li>• Employee self-evaluations are due</li> </ul>
May 15 – June 15	<ul style="list-style-type: none"> <li>• Evaluation and Employee/Supervisor Meetings</li> </ul>
June 30	<ul style="list-style-type: none"> <li>• Evaluation cycle closes</li> </ul>

Goal Setting Expectations:

- All staff shall have three goals in the evaluation system.

- Directors shall have four goals, one of which shall relate to the department's performance on workplan tactic implementation and meeting of revenue expectations.
- Goals should align with the core responsibilities or duties of the position, assigned projects or initiatives and specific tactics in the organization's workplan where applicable.
- Directors shall provide additional guidance and expectations for goal setting to their staff and supervisors as needed.
- Supervisors are expected to discuss staff draft goals and give feedback or guidance prior to goals being entered into the evaluation system.
- Additional guidance on SMART goal setting and other topics will be available from the Human Resources Manager.

Ongoing Supervisor and staff expectations regarding the evaluation process and any additional guidance regarding the evaluation tool shall be communicated with staff as needed throughout the evaluation process and is also available from the Human Resources Manager.

The *6-Month Performance Evaluation* is generally for introductory employees and is linked to the employee's hire date. These evaluations should be conducted at the end of the employee's first 6-months. (However, Supervisors may meet with the employee before the end of the 6-month probationary period if performance issues arise.) Similarly, these performance evaluations shall be documented in writing and placed in the employee's personnel file.

Supervisors may also meet with employees at other times during the year other than the *Annual or 6-Month Performance Appraisal Periods* if there are performance issues.

Upward movement within the established salary range for an employee is not automatic, but rather based on specific performance-related reasons. Employees may be considered for advancement within the established salary range based on the quality of their overall work.

## **SECTION 9: Dress Code**

The staff represents the organization and is expected to be clean, neat and dressed appropriately for the job function. Centralina trusts each employee's good judgment and offers the following guidelines concerning appropriate dress in the work environment.

- It is the responsibility of all employees to represent Centralina in a manner that is suitable for the public service environment and reflects favorably Centralina's role. When in doubt, employees should seek guidance from their supervisor.
- Centralina adopts a business casual dress code but emphasizes that more formal business attire may be more appropriate for certain occasions. (This policy does NOT require employees to purchase casual business attire. Employees who prefer to dress in formal or traditional business attire should feel free to do so.)
- Times when more customary business attire would be more appropriate include occasions: when you are conducting or attending Centralina meetings, seminars, workshops, etc. where you come in contact with other professionals; when clients come to meet you in the office; when you go out to meet clients; and when you have to represent Centralina at an outside community function.

- The employee’s supervisor or Human Resources will discuss the subject of personal appearance with the employee on occasions of confusion or oversight.

## EMPLOYEE BENEFITS

### SECTION 1: Eligibility

Regular, full-time and part-time employees are eligible for employee benefits. Term employees are only eligible for federal or state-mandated employee benefits such as Workers' Compensation and Social Security. Benefits are subject to change at the discretion of Centralina and the Board of Delegates.

### SECTION 2: Group Health Insurance

Centralina provides group health insurance programs for all regular employees who work thirty (30) or more hours per week on a regular basis. Group health and hospitalization insurance programs are provided as follows for full-time regular employees:

- 100% of the medical premium is paid for all full-time regular employees.
- 50% of the dental premium is paid for all full-time regular employees.
- 50% of the vision premium is paid for all full-time regular employees.

If an employee is not employed full time, he/she must pay the pro rata portion of the premium.

Dependent coverage is available with employee paying the additional cost. Information concerning costs and benefits can be obtained from Human Resources.

Coverage begins thirty (30) days following the date of hire.

### SECTION 3: Group Life Insurance

Centralina provides paid life insurance to its employees in ranges which correspond to two and one-half (2.5) times the annual base salary, and accidental death and dismemberment coverage of two and one-half (2.5) times that amount.

Part-time employees can continue to participate in the Group Life Insurance as long as they work thirty (30) or more hours per week on a regular basis.

Coverage begins thirty (30) days following the date of hire.

### SECTION 4: Supplemental Health and Life Insurance

Centralina makes available supplemental health and life insurance products through Colonial, Washington National and Municipal Benefits in which employees can voluntarily choose to participate. These options are employee paid benefits.

### SECTION 5: Retiree Health Insurance

An employee who meets the conditions set forth under the provision of the North Carolina Local Governmental Employees' Retirement System may elect to retire and receive all benefits earned under the retirement plan.

**Medical Insurance.** Centralina will pay a fixed amount towards the cost of an eligible retiree's



monthly premium for retiree medical insurance, which amount will be established by the Executive Board or Board of Delegates (the "Base Premium Supplement"). The Base Premium Supplement is Centralina's contribution to the cost of an eligible retiree's medical insurance. The Base Premium Supplement implemented and effective as of July 1, 2015 is four hundred and twenty-five Dollars (\$425).

This Base Premium Supplement may be adjusted at the sole discretion of the Executive Board or Board of Delegates, and will be administered as follows:

- If the retiree has less than fifteen (15) years of service with Centralina, as of his/her retirement date, no Base Premium Supplement will be paid by Centralina;
- If the retiree has completed at least fifteen (15) years of service with Centralina, as of his/her retirement date, Centralina will pay the Base Premium Supplement; and
- If the retiree has completed more than fifteen (15) years of service with Centralina, as of his/her retirement date, the Base Premium Supplement will be increased by two (2%) percent for each full year of completed service in excess of fifteen (15) years with a maximum benefit of eighty (80%) percent (the resulting amount is the "Enhanced Premium Supplement").

Any eligible retiree's premium in excess of the Base Premium Supplement or, if applicable, the Enhanced Premium Supplement, will be the responsibility of the retiree. Beginning, January 1, 2018, the Retiree is responsible for paying the cost of the medical premium themselves. Centralina will then make base payments to the employee upon receipt of the retiree's payment to the recognized insurer.

Retiree medical coverage will be made available to eligible retirees annually, and if renewed a retiree may accept and pay for such coverage until the retiree is eligible for Medicare.

**Retiree Dental and Vision Insurance.** The Premium Supplement for the retiree's dental and vision insurance is dependent upon the retiree's years of service with Centralina. The Premium Supplement for Dental and Vision Insurance shall be administered as follows:

- If the retiree has less than fifteen (15) years of service with Centralina, as of his/her retirement date, no portion of the premium for dental and vision will be paid by Centralina;
- If the retiree has completed at least fifteen (15) years of service with Centralina, as of his/her retirement date, Centralina will pay 50% of the active employee coverage amount for dental and vision;
  - For example, if the monthly premium for dental insurance is twenty-eight (28) dollars, Centralina will pay fourteen (14) dollars, or fifty percent towards an active employee's coverage. A retiree with 15 years of service to Centralina will receive 50% of the active employee's covered amount or seven (7) dollars.
- If the retiree has completed more than fifteen (15) years of service with Centralina, as of his/her retirement date, the premium for dental and vision will be increased by two (2%) percent for each full year of completed service in excess of fifteen (15) years with a

maximum benefit of eighty (80%) percent.

Retirees are responsible for paying the remaining portion to satisfy the monthly premiums. Retirees must designate a payment schedule for this excess at the beginning of the insurance plan year. Any payments not made by the scheduled date could result in the termination of insurance coverage.

Upon eligibility for Medicare, the retiree can maintain dental and vision coverage by paying the full cost of the premium.

#### **SECTION 6: North Carolina Local Governmental Employees' Retirement System (NCLGERS)**

Each regular employee whose position requires at least 1,000 hours of work in a calendar year must participate in the North Carolina Local Governmental Employees' Retirement System. You are not considered a contributing member of NCLGERS if your work is considered temporary employment. Employees contribute, through payroll deduction, six (6) percent of their income on a pre-tax basis to this program. The NCLGERS annually determines the employers' contribution amount, which is paid monthly to the system. This is a defined benefit plan and the employee is vested in the plan after five (5) years of contributions. The employee becomes a NCLGERS member on their hire date and begins to make contributions with their first pay.

#### **SECTION 7: Supplemental Retirement Benefits**

Centralina offers supplemental retirement benefits for regular full-time and part-time employees through the NC 401K and NC 457 Prudential plans, which is a defined contribution plan. Centralina makes an automatic three (3) percent contribution to each regular employee's NC 401K supplemental retirement fund.

Part-time employees can continue participation into the NC 401K plan as long as they are actively contributing to NCLGERS.

#### **SECTION 8: Social Security**

Centralina, to the extent of its lawful authority and power, has extended Social Security benefits for its eligible employees and eligible groups and classes of such employees.

#### **SECTION 9: Workers' Compensation**

All employees of Centralina (regular full-time, part-time, and term) are covered by the North Carolina Workers' Compensation Act and are required to report all injuries arising out of and in the course of employment to their immediate supervisors at the time of the injury in order that appropriate action may be taken at once.

Responsibility for claiming compensation under the Workers' Compensation Act is on the injured employee.

## **SECTION 10: Unemployment Compensation**

Centralina employees who are terminated due to a reduction in force or released from service may apply for benefits through the North Carolina Division of Employment Security where a determination of eligibility will be made.

## **SECTION 11: Disability Insurance**

Disability insurance is provided through the NCLGERS for all employee who have vested in the retirement system. Additional disability insurance options are available through supplemental insurance programs.

## **SECTION 12: Short-Term Disability**

Centralina's short-term disability plan is a benefit that provides sixty (60) percent of gross weekly earnings for employees who are unable to work due to illness, injury or disability not related to work, after an absence of more than seven consecutive calendar days. Benefits begin on the eighth day of disability and continue for related absences up to a maximum of twenty-six (26) weeks. Employees will not be able to return to work without submitting to Human Resources a note from a physician or licensed health care professional authorizing their return.

A disability claim form must be filed with Human Resources within twenty (20) days after becoming disabled. A short-term disability leave must be certified by a physician's or licensed health care professional's statement identifying the nature of the disability and stating or estimating the date when the employee will be able to return to work. If the employee cannot return on that date, another statement from a physician or licensed health care professional, with a new return date, will be required. Employees will not be able to return to work without submitting to Human Resources a note from a physician or licensed health care professional authorizing the employee's return.

Employees may utilize up to forty (40) percent (or sixteen hours) of leave time per week to supplement the sixty (60) percent received through the employer paid short-term disability plan.

## **SECTION 13: Employee Assistance Program**

Centralina recognizes that a variety of personal problems can disrupt an employee's personal and work lives and therefore provides assistance for the health and well-being of its employees through the Employee Assistance Program (EAP). The EAP provides free and confidential access to short-term professional counseling services to help employees deal with a wide range of personal problems that can affect their job performance. Employees may choose to go to the EAP on their own or they may be encouraged or mandated to use the EAP by their supervisor, which will not, in any way, have a negative impact on employment or employment status.

Regular full-time and part-time employees and their immediate family members (specifically those family members living with the employee and financially dependent on the employee, including college students up to 21 years of age) are also eligible for benefits under this policy.

#### **SECTION 14: Flexible Spending Accounts**

The Flexible Spending Account is an IRS sanctioned benefit that allows employees to use pre-tax dollars to cover eligible expenses including: un-reimbursed, out-of-pocket medical related expenses that are not covered by the insurance plan and dependent/child care expenses.

Regular full-time and part-time employees that work thirty (30) or more hours per week are eligible to participate in the plan.

Coverage begins thirty (30) days following the date of hire.

#### **SECTION 15: North Carolina Local Government Employees' Federal Credit Union**

Membership in the NC Local Government Federal Credit Union is open to all Centralina employees and their family members for various loan services, checking and savings accounts.

#### **SECTION 16: Professional Development**

The purpose of this policy is to provide employees with professional development opportunities that increase their skills and enhance their contributions to the organization.

All regular full-time and part-time employees are eligible for professional development time to be used to attend relevant training programs (workshops, seminars, and conferences, etc.) that will assist the employee in performing his/her essential job functions and increase the employee's contribution to the organization, providing the availability of funds.

Employees must request permission from their immediate supervisor for approval to attend the training, for payment of training programs and to receive reimbursement for associated training expenses.

#### **SECTION 17: Professional Memberships and Dues**

In order to promote active employee participation and membership in professional organizations related to the employee's field of work, Centralina will cover the costs of relevant membership dues for local, state and national organizations, providing the availability of funds.

Employees must request permission from their immediate supervisor for Centralina payment of membership dues to professional organizations.

## TIME OFF AND LEAVES OF ABSENCE

### SECTION 1: Policy

The policy of Centralina is to provide vacation, sick, and holiday leave to regular full-time and part-time employees. Leave balances accrue with each bi-weekly payroll and will be pro-rated for employees that work less than a full-time schedule.

### SECTION 2: Vacation Leave: Accrual Rates

Vacation leave with pay shall be earned by all introductory and regular employees at an accumulative rate as follows:

- Each employee with less than three years of service at Centralina shall earn vacation leave at a rate of 3.69 hours per pay period.
- Each employee with three years but less than eight years of service, shall earn vacation at the rate of 4.62 hours per pay period.
- Each employee with eight years but less than fifteen years of service, shall earn vacation at a rate 5.54 hours per pay period.
- Each employee with 15 or more years of service, shall earn vacation at a rate of 6.46 hours per pay period.

Vacation time shall be charged in units of actual hours taken. Requests for vacation leave should be submitted to the supervisor for approval.

To assist in the recruitment process for new positions, the Executive Director or Department Directors may request approval to adjust the accrual rates and/or add time to a new employee's vacation leave bank in recognition of that employee's prior years of relevant experience.

### SECTION 3: Vacation Leave: Maximum Accumulation

Vacation leave may be accumulated up to the following amount of days based on years of employment:

Years of Employment	Days Earned Per Year	Limit of Accrued Maximum Days
Less than 3	12	24
Less than 8	15	45
Less than 15	18	54
More than 15	21	63

The daily rate of pay for accumulated leave time shall be computed on the basis of a 52-week year and 40 hours per week.

In circumstances where new staff members have been granted advanced leave rates, the maximum accumulations will be based on days earned per year.

#### **SECTION 4: Excess Vacation Leave**

Employees have until the end of the fiscal year (June 30) to use vacation leave that is above the maximum number of days allowed per years of employment. Any excess vacation not used by the end of each fiscal year, shall be converted to sick leave. Employees will be notified by the finance department when they are close to exceeding their limit of accrued days.

#### **SECTION 5: Vacation Leave: Manner of Taking**

To schedule vacation time, employees should submit their request to the supervisor for approval. Employees must ensure that they have enough accrued leave available to cover the dates requested. Vacation leave is earned and should be granted by the supervisor unless there is some major work responsibility that will not be met in the employee's absence.

Vacation will be paid at the employee's base rate at the time the leave is taken and shall be charged in units of actual hours taken. If a holiday falls during the employee's vacation, the day will be charged to holiday pay, as applicable rather than vacation pay.

Normally, employees must have vacation accrued before it can be taken. However, the Executive Director may, under unusual circumstances, advance an employee vacation (pre-payment of wages) or permit the employee to utilize the option of leave without pay.

#### **SECTION 6: Vacation Leave: Payment Upon Separation**

Upon separation, an employee shall be paid for unused accrued vacation leave but not to exceed the "limit of accrued maximum days".

Employees who provide the requested amount of notice (two weeks) will be considered to have resigned in good standing and generally will be eligible for rehire. Not providing the requested two (2) weeks' notice will result in the forfeiture of accumulated vacation and sick leave payouts (if applicable).

#### **SECTION 7: Sick Leave**

Sick leave with pay may be taken for personal illness, doctor's appointments or hospitalization, maternity/paternity related absences and for illness or death of members of the immediate family and/or household members. Sick leave taken due to illness or death of immediate family shall not exceed five (5) days. Employees must get approval from their supervisor for the use of additional days.

In terms of sick leave due to personal illness, the employee's supervisor or Human Resources may require verification in writing by an attending physician for employees taking sick leave for personal illness of three (3) days or more, or where a pattern of use indicates a need to request documentation.

**SECTION 8: Sick Leave: Accrual Rates and Accumulation**

Employees shall accumulate sick leave time at the rate of one (1) day per completed month of service with no limit on the amount that may be accumulated (3.69 hours per pay period).

Any sick leave not used, shall accrue to the employee's account without limit while he or she is in the employ of Centralina; upon retirement the employee shall receive one month of additional work credit for each twenty days of unused sick leave reported to the NCLGERS.

Normally, employees must have sick leave accrued before it can be taken. At the discretion of the Executive Director, an employee in unusual circumstances may be advanced sick leave. For non-exempt employees, upon termination, any deficit in accrued sick leave shall be withheld from the employee's final paycheck.

**SECTION 9: Transfer of Sick Leave from Previous Employer**

Employees whose date of employment at Centralina was subsequent to July 1, 1983 and who were previously employed by a local governmental entity in North Carolina may receive credit at Centralina for accumulated sick leave, provided verification of that accumulated sick leave is received from the entity and that the employee was not reimbursed for these days. This only applies to local governmental entities that were the employee's place of employment immediately prior to their employment at Centralina. Up to twenty (20) days may be transferred into the employee's current sick leave accrual bank. Sick leave accumulation over twenty (20) days may also be transferred but will be held and recorded for purposes of retirement only.

**SECTION 10: Sick Leave: Payment upon Separation**

For regular, full-time employees hired prior to January 1, 2018 upon separation, an employee may be paid for unused accrued sick leave at the rate of one-third days pay for each day of accumulated sick leave, not to exceed a maximum of fifteen (15) days (i.e., 45 days of accrued sick leave). This shall be computed at the rate of annual base salary at the date of separation. The daily rate of pay shall be computed on the basis of a fifty-two (52) week year, forty (40) hours per week. Employees shall not be paid for sick leave accumulated at any other governmental entity and transferred to Centralina.

Regular, full-time employees hired after January 1, 2018 will not be eligible for the above described benefit.

**SECTION 11: Compassionate Leave Transfer**

The purpose of this policy is to provide employees an opportunity to assist fellow employees who are unable to work due to their own or immediate family members' prolonged and catastrophic<sup>1</sup> illness or injury. The immediate family shall include: spouse, parent, child, sibling, in-law, grandparent, grandchild spouse and household members. Some prolonged medical conditions cause employees to exhaust all available leave and as a result, be placed on leave without pay status. This program allows fellow employees to *voluntarily* donate up to five (5) leave days (per

year, per prospective recipient) of their earned sick or vacation leave accrual to help provide assistance to employees in need.

***<sup>1</sup>A prolonged and catastrophic illness or injury is defined as a single life-threatening medical condition that requires the employee's absence from work for a minimum of ten (10) cumulative workdays.***

This program shall be administered by Centralina's Finance Department with approval from the Executive Director.

#### **General Guidelines**

1. An employee may not intimidate, threaten, coerce, or attempt to intimidate, threaten or coerce any other employee for the purpose of interfering with any right which such employee may have with respect to donating, receiving, or using leave under this program. Such action shall be grounds for disciplinary action up to and including termination on the basis of personal conduct.
2. Employees must have completed one (1) full year of employment with Centralina to be eligible to receive compassionate leave.
3. The employee must have exhausted all available leave before using donated leave.
4. Medical certification of the prolonged catastrophic illness or injury from the primary attending physician must be provided to the Human Resources Manager prior to receiving donated leave.
5. The birth of a child **does not** qualify as a prolonged catastrophic illness or injury and should be addressed by the Short-Term Disability policy.
6. This program does not apply to employees on worker's compensation leave.

#### **Recipient Guidelines**

1. Recipients may confidentially request compassionate leave donations for a prolonged and catastrophic illness or injury requiring an extended treatment and/or recovery period for the employee or immediate family member. Requests for donated leave must be made in writing to the Executive Director.
2. Employees may also recognize the need to help a colleague and voluntarily choose to donate leave to assist the employee.
3. The salary of any employee receiving compassionate leave shall be unaffected by the salary or salaries of employees who donated their accumulated leave.
4. All donated leave will be credited to the recipient's sick leave account.
5. No other compensable benefits are available to any employee receiving a donation of leave time. Compensable benefits include, but are not limited to: holiday pay, workers compensation, vacation, or accumulated sick leave.



**Donor Guidelines**

1. Any donation must be initiated by a written request from the donor to the Finance Director and must have final approval by the Executive Director. The donation is non-reversible and may be anonymous to the recipient if so requested by the donor.

**SECTION 12: Bereavement Leave**

Sick leave benefits may be used when time off is needed due to a death in the employee's immediate family. Sick leave taken due to death of immediate family shall not exceed five (5) days. Employees must get approval from their supervisor for the use of additional days.

**SECTION 13: Medical Leave of Absence (Non-FMLA Leave)**

An employee desiring to take a leave of absence from work for reasons caused by a medical condition shall apply in writing for approval by their immediate supervisor. The employee must state the nature of the condition and anticipated dates and duration of the requested leave and the types of leave requested. The employee may request leave for a period of up to three (3) months total. The employee is obligated to return to duty by the end of the time determined appropriate. If an employee finds that they will not return to work, at that time, they shall request an extension from their immediate supervisor. Failure to report at the expiration of a leave of absence unless an extension has been requested and approved shall be considered a resignation.

The employee may elect to use accumulated vacation leave (1) before going on sick leave; (2) after accumulated sick leave has been exhausted, and/or (3) after the temporary disability has ended. If an employee wishes to retain all accumulated sick leave and vacation leave, leave without pay may be requested for the entire period.

Employees who are in a paid status during a period of Medical Leave of Absence (Non-FMLA Leave) shall continue to accrue paid leaves of absences (sick and vacation leave). If the employee is in a part-time paid status the leave will be pro-rated.

To the extent allowed by the insurance contract and applicable laws, Centralina will continue to provide medical, dental and vision insurance coverage for employees on an approved Medical Leave of Absence (Non-FMLA Leave). During this time, the employee will be responsible for paying his or her portion of the monthly premium(s) through payroll deduction (when the employee is on paid status) or by making arrangements with Centralina's finance department.

**SECTION 14: Military Leave**

Eligibility for military leave of absence shall be governed by and subject to the limitations and restrictions set forth in USERRA and other applicable federal and state laws.

Employees must give advance notice to their supervisor of their military leave, unless impossible, impracticable or because of military necessity.

An employee who is absent from work as a result of service in any of the United States uniformed services, will continue to receive pay for the first ten days of any such absence in a calendar

year. Thereafter, further absence shall be without pay, although the employee may, but is not required to, apply accumulated vacation leave towards the further absence.

During a military leave of absence, an employee's length of service accumulates, and benefits will continue as required by applicable law. Provided an employee's absence does not exceed applicable statutory limitations, employees on military leave will retain reemployment rights in accordance with applicable Federal and State laws.

**SECTION 15: School Visitation Leave**

Employees who are parents, guardians or acting in place of the parents of a school-aged child are allowed four hours of unpaid leave per calendar year, at a mutually agreed upon time, to attend or otherwise be involved at that child's school. Requests for School Leave must be made in writing at least forty-eight (48) hours prior to the leave and a verification from the school that you attended or were otherwise involved at the school during the time of the leave. When possible and with supervisory approval, non-exempt employees may be allowed to recover expended time by restructuring their hours within the same workweek that the School Leave was used, in order to comply with the Fair Labor Standards Act.

**SECTION 16: Jury Duty and Civil Leave**

An employee called upon for jury duty shall receive leave with pay for up to ten (10) days to perform such duty. Other civil leave as may be required from time to time may be granted upon the approval of the Executive Director. A copy of the summons or subpoena shall be attached to the bi-weekly work report. In no case, however, will employees be granted civil leave to appear at any trial or hearing where the employee is charged with a violation of criminal or motor vehicular law.

**SECTION 17: Educational Leave with Pay**

Leave at full pay during regular working hours may be granted to an employee with the prior approval of the Executive Director or supervisor, to permit an employee to take courses of study which will better equip the employee to perform assigned duties. Only one (1) course may be taken at a time.

**SECTION 18: Leave without Pay**

A regular full-time or part-time employee may be granted a leave of absence without pay for a period of up to one (1) month by the Executive Director. The leave shall be used for reasons including: continuation of education, special work that will permit Centralina to benefit by the experience gained or the work performed, or for other reasons deemed justified by the Executive Director.

The employee shall apply in writing to his/her supervisor for leave. The employee is obligated to return to duty within or at the end of the time determined appropriate by the Executive Director. Upon returning to duty after being on leave without pay, the employee shall be entitled to return to the same position held at the time leave was granted or to one of like classification, seniority, and pay. If the employee decides not to return to work, the supervisor shall be notified

immediately. Failure to report at the expiration of a leave of absence, unless an extension has been requested, shall be considered a resignation. The following factors will be considered in Leave Requests: 1) reason for leave; 2) performance record; 3) business conditions; 4) tenure.

**SECTION 19: Continuation of Fringe Benefits**

Centralina will continue contributions on behalf of employees taking paid vacation, sick, civil, military or education leave for life insurance, disability, group health and retirement coverage.

Those employees on leave without pay may lose these benefits for the period that they are out but may be eligible for medical coverage through COBRA (medical, dental and vision).

**SECTION 20: Holidays**

The following days are observed as holidays with pay:

*With the exception of the Christmas Holiday, when a holiday below falls on Saturday, Friday shall be observed as the holiday; when the holiday below falls on Sunday, Monday shall be observed as the holiday.*

- New Year's Day**
- Martin Luther King's Birthday**
- Memorial Day**
- Independence Day**
- Labor Day**
- Veteran's Day**
- Thanksgiving Day and day after**

- Christmas** - when Christmas falls on:
- Saturday or Sunday, take Friday and Monday;
  - Monday, take Monday and Tuesday;
  - Tuesday, take Monday, Tuesday, and Wednesday;
  - Wednesday, take Tuesday, Wednesday, and Thursday;
  - Thursday, take Wednesday, Thursday, and Friday;
  - Friday, take Thursday and Friday.

Employees who are authorized or required to work one of the holidays listed above shall be granted leave credit commensurate with the time worked up to a maximum of eight hours per holiday. Such work must be approved in advance by the supervisor and Executive Director.

Employees will also receive one floating holiday with pay during the year to use at their discretion.

The earned holiday hours will be pro-rated for part-time employees according to their part-time schedule.

## UNSATISFACTORY JOB PERFORMANCE AND FAILURE IN PERSONAL CONDUCT

### SECTION 1: Unsatisfactory Performance

**Unsatisfactory Job Performance Defined.** Unsatisfactory job performance includes any aspects of the employee's job which are not performed as required to meet the standards set by the organization and/or the department.

Examples of unsatisfactory job performance include, but are not limited to the following:

- Inefficiency, negligence or incompetence in the performance of duties.
- Careless, negligent or improper use of Centralina property or equipment.
- Discourteous treatment of the public or other employees.
- Harassment of employees because of race, color, and religious creed, gender, age, sexual orientation, national origin, genetic predisposition, or any other classification protected by applicable discrimination laws.
- Absence without approved leave.
- Habitual pattern of failure to report for duty at the assigned time and place.
- Failure to meet work standards over a period of time.

**Communication and Warning Procedures.** An employee whose work is unsatisfactory over a period of time shall be notified by the Department Director in what way the employee's work is deficient and what must be done if the work is to be satisfactory. Based on circumstances, an employee who is suspended, demoted, dismissed, or otherwise disciplined for unsatisfactory performance of duties shall generally receive at least three (3) warnings before disciplinary action is taken. First, one or more oral warnings should be issued by the employee's Department Director; second, an oral warning with a follow-up letter to the employee which sets forth the points covered in their discussion should be issued by the Department Director; and third, a written warning should be issued by the Department Director serving notice upon the employee that corrective action must be taken immediately in order to avoid disciplinary actions. The Department Director must record the dates of their discussion with the employee, the performance of deficiencies discussed and the corrective actions recommended and must file the information in the employee's personnel folder.

Notwithstanding, Centralina retains the right to suspend, demote, dismiss, or otherwise discipline an employee at any time for any lawful reason.

### SECTION 2: Failure in Personal Conduct

An employee may be suspended, demoted, dismissed, or otherwise disciplined for causes relating to personal conduct detrimental to Council service (1) in order to avoid undue disruption of work, (2) to protect the safety of persons or property, or (3) for other serious reasons.

The following causes relating to failure in personal conduct are representative of those considered to be adequate grounds for suspension, demotion or dismissal:

- Fraud in securing appointment.
- Conviction of a felony or of a misdemeanor which would adversely affect performance of

- duties, or entry of a plea of "no contest" to either.
- Misappropriation of Council funds or property.
  - Falsification of Council records for personal profit or to grant special privileges.
  - Reporting to work under the influence of alcohol or narcotic drugs or partaking of such things while on duty or while on public property, except that prescribed medication may be taken within the limits set by a physician so long as medically necessary.

Notwithstanding, Centralina retains the right to suspend, demote, dismiss, or otherwise discipline an employee at any time for any lawful reason.

### **SECTION 3: Disciplinary Actions**

A regular employee may be placed on disciplinary suspension, demoted, dismissed, or otherwise disciplined for unsatisfactory job performance or failure in personal conduct.

In the case of unsatisfactory job performance, the Department Director should normally have followed the procedure outlined above on communications and warning. The employee should normally be allowed at least ten (10) workdays to respond to the charges before any determination is made by the Department Director concerning a suspension or a demotion or a determination is made by the Executive Director concerning dismissal.

In the case of failure in personal conduct, the employee shall be given a statement of the charges, will be allowed to respond in writing, and be given a prompt written statement of the decision of the Department Director, and the Executive Director. These steps shall normally be taken before the disciplinary action except in cases of suspensions where a written statement will be sent to the employee by certified mail or email.

All cases of disciplinary suspension, demotion or dismissal must be approved by the Executive Director prior to giving final notice to the employee. The Human Resources designee shall provide the employee with a written notice including the recommended effective date, reasons for the action, and appeal rights available to the employee.

**Disciplinary Suspension.** An employee who is suspended for disciplinary reasons shall be relieved temporarily of all duties and responsibilities and shall receive no compensation for the period of suspension.

**Immediate Disciplinary Suspension.** An employee may be suspended without prior notice by the Department Director for causes related to personal conduct in order to avoid undue disruption of work, to protect the safety of persons or property, or for other serious reasons. When a Department Director suspends an employee he/she shall tell the employee to leave Council premises at once and remain away until further notice. The Department Director shall notify the Executive Director immediately. Upon written notification, an employee shall receive no compensation for the period of suspension.

A written summary giving the circumstances and facts leading to the suspension shall be prepared; one copy shall be delivered to the employee by certified mail or email, and one copy shall be filed in the employee's personnel folder.

**Non-Disciplinary Suspension.** During the investigation, hearing or trial of an employee on any criminal charge or during the investigation related to alleged detrimental personal conduct, or during the course of any civil action involving an employee, when suspension would, in the opinion of the Department Director or Human Resources, be in the best interest of the organization, the Department Director may recommend suspension of the employee for part or all of the proceedings as a non-disciplinary action. In such cases, the employee may be:

1. Temporarily relieved of all duties and responsibilities and placed on paid or unpaid leave for the duration of the suspension, or
2. Assigned new duties and responsibilities and allowed to receive such compensation as is in keeping with the new duties and responsibilities.

If the employee is reinstated following the suspension, such employee shall not lose any benefits, other than lost pay, to which otherwise the employee would have been entitled had the suspension not occurred. If the employee is terminated following suspension, the employee shall not be eligible for any pay from the date of suspension; provided, however, all other benefits with the exception of accrued annual leave and sick leave shall be maintained during the period of suspension.

**Dismissal.** Before a regular employee may be dismissed on the basis of unsatisfactory job performance or failure in personal conduct, the following shall occur:

1. The Executive Director may dismiss an employee with consultation from the Department Director.
2. A pre-dismissal conference shall normally be held between management representative(s) and the employee. No attorneys or other such representatives for either party shall be present at this conference; a witness or security personnel may be present if management deems it necessary. The management representative shall present the employee with the specific reasons for the proposed dismissal and a brief summary of the information which management believes supports the proposed dismissal. The employee shall have a right to respond to that notice of proposed dismissal in the conference.
3. If, at the end of the pre-dismissal conference, the Executive Director determines that dismissal is justified, he/she may present the employee with a letter of dismissal. However, the management representative may elect to defer the dismissal based on information presented by the employee, and reconsider the proposed dismissal. If, following such reconsideration, the decision is to dismiss, then no further pre-dismissal conference is required.
4. The employee must be given written notice of the dismissal. The written notice must include specific reasons for the dismissal and the employee's right of appeal.
5. Upon dismissal on the basis of job performance, an employee may be given up to two (2) weeks' notice. A payment of up to two (2) weeks salary may be made in lieu of notice.

#### **SECTION 4: Employee Appeal**

A regular employee wishing to appeal a demotion, suspension, dismissal, or other discipline may present the matter in accordance with the provisions of the complaint procedure prescribed in this Manual.



# **CENTRALINA**

## **REGIONAL COUNCIL**

### **Item 5**





## Executive Board Agenda Item Cover Sheet

<b>Board Meeting Date:</b>	April 12, 2023	<b>Agenda Item Type:</b>	<b>Committee work sessions:</b>		<b>Regular:</b>	X
<b>Submitting Person:</b>	Luke Lowry	<b>Presentation Time:</b>	5min			
<b>Presenter at Meeting:</b>	N/A	<b>Phone Number:</b>	704-385-7556			
		<b>Email:</b>	llowry@centralina.org			
<b>Alternate Contact:</b>	Narissa Claiborne	<b>Phone Number:</b>	717-434-2284			
		<b>Email:</b>	nknight@centralina.org			
<b>Submitting Department:</b>		<b>Department Head Approval:</b>				
<b>Title of documents as shown in the Agenda:</b> Centralina Spotlight: Planning – Updates to plans, codes for 160D compliance.						
<b>Description of Agenda Item:</b> <i>(This wording will be used to summarize the item on the agenda cover page.)</i>						
Centralina staff will provide a short portrait of our work in the region related to the numerous land use plan updates and municipal code updates that were performed after the State's adoption of Chapter 160D.						
<b>Background &amp; Basis of Recommendations:</b>						
This will be a standing item on all Centralina Board meetings in 2023. The purpose is to share a success story of Centralina's work, regional collaboration or local innovation from a member government.						
<b>Requested Action / Recommendation:</b>						
Receive as information.						
<b>Time Sensitivity:</b> <i>(none or explain)</i>	None					
<b>Budget Impact:</b> <i>(none or explain)</i>	None					
<b>Attachments:</b> <i>(none or list)</i>	Land Use Planning Sales Sheet; Success Story #1 (January 6, 2022); Success Story #2 (September 9 <sup>th</sup> , 2022)					



# Envision Future Community Growth Through Land Use Planning

In 2019, the North Carolina General Assembly updated state planning regulations for local jurisdictions, commonly referred to as “Chapter 160D requirements.” Contained within these revisions, all communities wishing to enforce zoning regulations must have an adopted land use plan that anticipates community growth and change. Centralina works with counties and municipalities to align land use plans with Chapter 160D requirements and reflect a community's vision for the future.

## WHAT IS A LAND USE PLAN?

A comprehensive land use plan captures the vision, values and goals for a community's future. Land use plans rely heavily on community input to identify these goals and create strategies for achieving a shared vision. They also include context on the history and existing conditions of the community and a land use map to help guide future development.

## WHY IS LAND USE PLANNING IMPORTANT?

Land use planning provides communities with an opportunity to integrate land use practice with other local priorities such as transportation connectivity, parks and recreation, infrastructure investment and economic development. Coordinated planning helps communities create vibrant places that meet the needs of current and future residents. Land use planning efforts can also illuminate areas where more focused efforts may be necessary. Planning for the growth and development of specific neighborhoods, districts and corridors can help communities enhance livability, mobility and economic vitality at a variety of scales.

- **Small Area Planning:** Small area plans identify issues and opportunities and craft a shared vision for a specific neighborhood or district. Small area plans incorporate strategies, policies and action items specific to the neighborhood and its stakeholders.
- **Corridor Planning:** Corridor plans develop an integrated transportation and land use planning framework for a specific street or street network. Corridor plans help improve walkability, accessibility and safety and align the development of economic opportunity with physical infrastructure.

## HOW CAN CENTRALINA HELP?

Centralina has experience supporting local governments with land use planning efforts and can assist with the creation or updates of land use, small area and corridor plans. Our land use planning and placemaking experts can provide technical assistance to your community on diverse aspects of the planning process, including:



### **Public Engagement:**

By seeking a range of voices through diverse engagement methods, Centralina helps local leaders better understand current issues and community aspirations for the future. Engagement also creates early support for plan recommendations. Centralina can design a process that works best for your community, combining in-person, virtual and hybrid public workshops, forums, focus groups, online surveys and social media.



### **Plan Development:**

Centralina will synthesize existing data and plans with public opinion and best practices to create strategies that encourage well-planned, livable communities. Our efforts on planning initiatives like CONNECT Our Future and the CONNECT Beyond regional transit plan help communities consider their priorities in a regional context while maintaining a strong sense of place for each community.



### **Data Analysis & Maps:**

Centralina has experience using geospatial analysis to support local government data needs. By combining local, state and federal databases with newly created maps and the wealth of data collected through regional planning projects, Centralina ensures communities have the information needed to make informed decisions.



### **Graphic Design:**

Centralina creates engaging maps, charts, branding packages and other visual elements that elevate public-facing documents and enhance storytelling. Our graphic design experts help communities craft compelling, well-designed documents that go beyond data sharing to “tell the story” tied to local quality of life opportunities and challenges, translating planning efforts and community values into a recognizable visual identity.

## RECENT PLANNING PROJECTS

- **Land Use Planning** – Town of Dallas, Town of Stallings, Town of Stanley, Town of Wingate, Anson County, Stanly County
- **Code Updates** – City of Cherryville, Town of McAdenville, Town of Stallings, Town of Stanley, Town of Troutman, Town of Wingate
- **Engagement** – Town of Dallas, Village of Marvin, CONNECT Beyond Regional Transit Plan, Charlotte Regional TPO/Gaston-Cleveland-Lincoln MPO
- **GIS Projects** – City of Albemarle, City of Statesville, Town of Wingate, Anson County, CDC Vaccination Outreach, Metrolina CommunityViz Initiative 2015, 2019
- **Graphic Design** – Gaston-Cleveland-Lincoln MPO Metropolitan Transportation Plan

## READY FOR A QUOTE?

Reach out to Senior Director, Michelle Nance, at (704) 348-2709 or [mnance@centralina.org](mailto:mnance@centralina.org) to discuss how we can help.



# **CENTRALINA**

## **REGIONAL COUNCIL**

### **Item 6**



## Executive Board Agenda Item Cover Sheet

<b>Board Meeting Date:</b>	April 12, 2023	<b>Agenda Item Type:</b>	<b>Consent:</b>		<b>Regular:</b>	X
<b>Submitting Person:</b>	Denise Strosser	<b>Presentation Time:</b>	10 minutes			
<b>Presenter at Meeting:</b>	Denise Strosser	<b>Phone Number:</b>	704-348-2704			
		<b>Email:</b>	dstrosser@centralina.org			
<b>Alternate Contact:</b>	Geraldine Gardner	<b>Phone Number:</b>	704-351-7130			
		<b>Email:</b>	ggardner@centralina.org			
<b>Submitting Department:</b>	Finance	<b>Department Head Approval:</b>	D. Strosser			
<b>Title of documents as shown in the Agenda:</b> Audit Firm Approval						
<b>Description of Agenda Item:</b> <i>(This wording will be used to summarize the item on the agenda cover page.)</i>						
<p>The Executive Board will review and approve the Finance Committee's recommendation to award the next multi-year audit contract to Cherry Bekaert and to authorize the Executive Director to enter into a contract with said firm.</p>						
<b>Background &amp; Basis of Recommendations:</b>						
<p>The Government Finance Officers Association recommends Government entities enter into a multi-year contract up to five years in duration with an audit firm. At the end of the contract term, the Government entity should undertake a full-scale competitive process for audit service in compliance with Procurement § 200.509 Audit Selection.</p> <p>Centralina ended its second 3-year term with Cherry Bekaert with the fiscal year 2022 audit. In compliance with procurement § 200.509 Audit Selection, we issued an audit RFP on February 27, 2023, which closed March 24, 2023.</p> <p>Centralina posted the RFP on its website and on the Government Finance Officers Association website. Additionally, the Finance Director sent a link of the RFP to 13 audit firms via direct email or website contact information. We received 2 proposals for audit services from Cherry Bekaert and Forvis (a new company formed by the recent merger between Dixon Hughes Goodman and Baird Kurts Dickson).</p> <p>The full description of the review process, RFP scoring and key points to substantiate the recommendation are outlined in the Audit Contract Award Review Summary. Both RFP responses are also provided in your package.</p>						
<b>Requested Action / Recommendation:</b>						
<p>Motion to approve Finance Committee's recommendation of Cherry Bekaert as Centralina's auditor and to authorize the Executive Director to enter into a contract with said firm for a four-year term in an amount not to exceed \$182,000 plus any additional single audit fees as applicable annually.</p>						
<b>Time Sensitivity:</b> <i>(none or explain)</i>	N/A					

<b>Budget Impact:</b> <i>(none or explain)</i>	N/A
<b>Attachments:</b> <i>(none or list)</i>	<ol style="list-style-type: none"> <li>1. Audit RFP post: <a href="https://centralina.org/resources/rfq-rfp/rfp-audit-services/">https://centralina.org/resources/rfq-rfp/rfp-audit-services/</a></li> <li>2. Audit Contract Award Review Summary</li> <li>3. Final Score Card</li> <li>4. Audit RFP submitted – Cherry Bekaert</li> <li>5. d. Audit RFP submitted - Forvi</li> </ol>

## **2023 Audit RFP**

### **Audit Firm Recommendation**

Based on the results of staff scoring and debrief we recommend to the Finance Committee that Cherry Bekaert to be awarded the contract.

#### **KEY POINTS**

- **Unparalleled North Carolina Local Government Experience:**
  - The state of NC has some of the strictest statues and monitoring of public sectors of all the states. Therefore, a firm having a strong presence in NC is beneficial to Centralina.
  - Cherry Bekaert (CB) has a strong presence in public sector of NC. They work with and do presentations for NC Government Finance Officers Association (NCGFOA) which works hand in hand with The NC League of Municipalities, the NC Department of State Treasurer and UNC School of Government.
  - CB also audits 4 of our members and 2 other COGs in North Carolina. Having the same auditor as the county is beneficial to the county since we reconcile DHHS funds passed through to them and provide to CB for the county audit.
  - We feel that Forvis may be more experienced nationally and in other states such as Texas and Virginia but is limited in NC.
  - Forvis's clientele is mostly school districts and small towns in NC.
  - In comparing the submitted audit reports from NC Department of State Treasurer, CB audited twice many organizations as Forvis.
  - Subsequent to RFP reviews, conversation with Forvis explained that one of the goals of the merger with the 2 firms is to use BDK's public sector expertise to break into the public sector market on NC.
  
- **Demonstrated Expertise & Approach to Working with Centralina:**
  - CB staff serve as an expert trainer/presenter for training programs in NC for GASB and financial reporting that staff attend for audit and reporting updates.
  - CB proposal had a more comprehensive approach to risk assessment as a fundamental pillar in the audit. They also discussed how they would ensure Centralina staff are updated on the latest changes to Government Accounting Auditing Principals and Uniform Guidance.
  - Forvis proposal did not present the same level of in-depth approach to supporting the Centralina team.

- **Accessible Team:**

- Location of the audit team is also important to us, CB's team is located here in Charlotte whereas the Forvis team would be spread throughout several states.
- Subsequent to RFP reviews, Forvis also explained there is a office here in NC with audit staff to perform the work however the public sector expertise is in other state, but will be available and have in person meeting as needed.
- Concern noted by a Finance Committee member was that Cherry Bekaert utilizes contract work outside the US. Per conversation with CB, the work performed outside the US is low-risk work such as file setup, trial balance import and coding. Less than 10% of work is done by the contractor. If a necessary, CB director will request to move all work in US.

- **Price:**

- CB offer was higher overall, but they offered a 45% discount that makes the fee lower.
- The Finance Director reached out to Forvis for a best and final offer amount.
- Forvis also has a Financial Reporting system that is cloud based and charges \$5,500 to use and increases annually. Per discussion with Forvis, the Financial Reporting system is not required to be utilized by all clients. The Finance Director doesn't believe the fee is necessary for the level of financial statements we produce and our organizational size.

## **Reference Checks Underway**





**FY2023 – 2025 Audit RFP Review  
RFP Summary**

enter your score in red blocks

**Reviewer**

**Section 1 – Firm Information / Experience and Qualifications - 20 Points**

**Prior Year Audit Experience - 10 points**

Consider the firm's experience and involvement with the public sectors in NC. Consider the size and origin of their clients (for example: do they audit other COG's)

**Quality Control and Commitment to Governmental Accounting and Auditing - 10 points**

Consider if the firm is involved in government organizations (GOOA, AICPA, NCLM) Does the firm help instruct seminars and training programs related to new government auditing standards

TOTAL SECTION 1

**Section 2 – Audit Approach – 25 Points**

**Commitment to timelines - 10 points**

Consider the firm's commitment to expediting the audit and meeting the audit time schedule. Consider timing of kick off meeting, interim field work, yearend work and Board meeting presentation.

**Guidance and Assistance - 10 points**

Consider the level of guidance and assistance the firm will offer with new auditing standards and financial report presentation, make recommendations for improvements and streamlining procedures.

**Location and Technology - 5 points**

	Cherry Bekaert						Forvis					
	1	2	3	4	5	TOTAL	1	2	3	4	5	TOTAL
Prior Year Audit Experience - 10 points	7	7	8	9	9	40	6	8	7	6	7	34
Quality Control and Commitment to Governmental Accounting and Auditing - 10 points	10	10	8	8	8	44	6	7	6	8	8	35
TOTAL SECTION 1	17	17	16	17	17	84	12	15	13	14	15	69
Commitment to timelines - 10 points	8	8	8	9	8	41	10	9	8	9	8	44
Guidance and Assistance - 10 points	8	9	8	8	8	41	8	8	7	7	7	37
Location and Technology - 5 points												

Consider if the firm has an office in the area or if any work will be in person, technology and/or systems used to communicate and receive files and audit data.

TOTAL SECTION 2

### Section 3 – Firm Availability and Key Personnel – 20 Points

**Is the firm available to meet the needs of Centralia - 10 points**

Consider if the size of the firm indicates adequate staffing potential, if they have an office in the Charlotte area, or if they use contractors outside the US

**Qualifications of staff to be assigned to the audit - 10 points**

Consider the number and of level of staff assigned, staff experience related to Centralina, involvement with accounting and government organizations, references to continuing education and licenses.

TOTAL SECTION 3

### Section 4 – Professional Fees Cost – 20 Points

Consider the hours and rate per level proposed, discounts offered and references to additional fees - 10 points

Consider if the fee appears in line with prior year audit cost (\$53,000 + \$1500 per single audit), if the annual increases are reasonable - 10 points

TOTAL SECTION 4

### Section 5 – Responsiveness – 10 Points

Consider the firms responsiveness to request and deliverables. -10 points

TOTAL SECTION 5

TOTAL SCORE

5	4	4	4	4	21	5	5	3	4	3	20
21	21	24	21	20	103	23	22	22	20	18	101
10	9	8	9	9	45	6	7	7	7	7	34
8	8	7	9	8	40	8	8	7	7	7	37
18	17	15	18	17	85	14	15	14	14	14	71
10	10	9	9	9	47	5	6	8	8	6	33
8	9	9	9	10	45	7	6	6	5	5	29
18	19	18	18	19	92	12	12	14	13	11	62
10	10	5	9	10	44	8	8	5	8	7	36
10	10	5	9	10	44	8	8	5	8	7	36
84	84	78	83	83	408	69	72	68	69	65	339



Proposal for Audit Services

# Centralina Regional Council

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March 14, 2023

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**Daniel T. Gougherty, CPA**

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**Contents**

**Section 1: RFP Checklist**

**Section 2: Cover Letter**

**Section 3: Firm Qualifications, Experience and References..... 1**

Government Auditing Experience..... 1

Thought Leadership ..... 2

Government Audit Clients ..... 3

Government Advisory Services ..... 5

Relevant Background of Assignees ..... 6

Peer Review ..... 8

**Attachment B –References Sheet ..... 9**

**Section 4: Audit Approach..... 10**

Financial Audit Approach ..... 10

Engagement Team Information & Timeline..... 17

**Section 5: Proposed Pricing ..... 20**

**Section 6: Appendix Administrative Information ..... 22**

Attachment D – Location of Workers Utilized by Respondent ..... 22

Attachment E - Proof of Liability Insurance with its Limits ..... 23

Attachment F - Certification of Financial Conditions ..... 25

**Appendix A. Team Biographies..... 26**

## Section 1: RFP Checklist

Complete and submit the RFP Checklist available in Attachment A of this RFP. (Note: Respondent may recreate Attachment A so long as the content is consistent)

### ATTACHMENT A: REQUEST FOR PROPOSAL CHECKLIST

**Centralina Regional Council  
Audit Services  
RFP Response Checklist**

RESPONDENT NAME: Cherry Bekaert LLP

SECTION	CHECKLIST	CHECK BOX	(Centralina USE ONLY)
1	<b>RFP CHECKLIST</b> (Attachment A)	X	
2	<b>RFP Cover Letter</b>	X	
3	<b>Firm Qualifications, Experience and References</b>		
	o Peer review report	X	
	o Attachment B- References	X	
4	<b>Audit Approach</b>	X	
5	<b>Proposed Pricing</b>		
	o Attachment C - Pricing Proposal Summary	X	
	o Detailed price proposal (no specific format required)	X	
6	<b>Appendices &amp; Administrative Information (Does Not Count to Page Limitation)</b>		
	o Attachment D – Location of Workers Utilized by Respondent	X	
	o Attachment E - Proof of Liability and its Limits	X	
	o Attachment F - Certification of Financial Condition	X	

#### **SUBMIT**

Respondents shall deliver one **(1) signed, original proposal in hard copy and one (1) digital format** such as Adobe Acrobat PDF

## Section 2: Cover Letter

*Provide a cover letter not exceeding two (2) pages, which is signed by an officer of the firm who is responsible for committing the firm's resources. The cover letter should provide the following: - Respondent's name, primary contact name, business address, phone number, fax number and email address; - Name and title of the individual with responsibility for the response and who will receive correspondence regarding this RFP; - Such other information as the Respondent deems appropriate.*

Denise Strosser, Director of Finance  
Centralina Regional Council  
10735 David Taylor Drive, Suite 250  
Charlotte, NC 28262  
Dear Ms. Strosser:

Cherry Bekaert LLP ("Cherry Bekaert" or the "Firm") thanks you for the opportunity to submit our proposal to serve Centralina Regional Council ("Centralina"). It would be our pleasure to continue our service to Centralina with quality-focused audit services delivered by one of the largest government audit firms in North Carolina. We bring a deep understanding of Centralina's needs through service to many of your peers, as well as local and Firm-wide resources to best serve you.

Since 2018, we have served nearly 100 public sector entities across North Carolina, providing a wide range of attestation and advisory services (e.g., financial statement and compliance audits, risk assessments, internal auditing, operational audits, agreed upon procedures, indirect cost plans, internal control reviews, comfort letters, and strategic management services). Our service to the public sector throughout the State means that many of our auditors and advisory consultants serve multiple public sector clients. We regularly help North Carolina public sector clients:

- ▶ **Implement new Governmental Accounting Standards Board ("GASB") Statements** and maintain compliance with new/changing guidance.
- ▶ Ensure **on-time and compliant report completion** by incorporating robust pre-planning, significant interim work, technology solutions and proven government auditing procedures, making our audit process **seamless and easy-to-navigate**.
- ▶ **Assess regulatory changes through year-round discussion**, offering expertise and sharing lessons learned through compelling thought leadership and custom Continuing Professional Education ("CPE") offerings, such as our [Government Benchmarking Survey](#) and Annual Government Seminar.
- ▶ **Improve ease of use** through comprehensive service plans, remote auditing, integrated IT/technology specialists and direct access/knowledge of systems.
- ▶ **Meet Government Finance Officers Association ("GFOA") certificate program award criteria** through high-quality Annual Comprehensive Financial Reports.

### Commitment to Centralina

We are fully committed to developing a trusted, mutually beneficial relationship with Centralina. When you work with us, you will receive committed support from a Firm who invests the time to understand you and deliver value added audit and attestation services. We are committed to being a trusted advisor and your "go to" for questions and concerns as they arise. Our client base and references demonstrate our long history of service and timeliness in meeting or exceeding client expectations.

### Depth of Local & Industry Resources You Deserve

Centralina will have access to all of the resources of one of the largest CPA firms in the United States, while being served by a local team based in our Charlotte and Raleigh offices ("Mid-Carolina practice"). Our team offers an unmatched depth of practical knowledge in the effective application of current standards. This includes the GASB, U.S. General Accounting Office's Government Auditing Standards, Title 2 U.S. Code of Federal Regulations Part 200,

Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (“Uniform Guidance”) and the State Single Audit Implementation Act.

Our audit programs and processes are tailored specifically to your needs, streamlined through years of experience with similar governments. Our approach is highly automated and focused on proper planning. With extensive experience serving counties, cities, towns and authorities throughout the state of North Carolina, we offer a critical mass of government experienced auditors and advisors and our **Client Promise** to build a mutually-beneficial relationship.

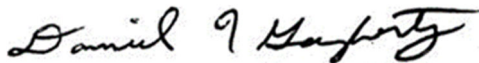
## Conclusion

This proposal provides detail about our approach and the team committed to serve you, but more importantly, it illustrates the unique ways in which Centralina will benefit from working with Cherry Bekaert. With your engagement team based in our Mid-Carolina practice to serve you, paired with the deep bench strength of dedicated industry resources, we trust you will find Cherry Bekaert is your guide forward.

Thank you again for this opportunity. If you have questions about this proposal or require additional information, please feel free to contact me directly at the contact information provided below.

Sincerely,

**Cherry Bekaert**

A handwritten signature in black ink that reads 'Daniel T. Gougherty'.

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**Please Note:** “Cherry Bekaert” is the brand name under which Cherry Bekaert LLP and Cherry Bekaert Advisory LLC, independently owned entities, provide professional services in an alternative practice structure in accordance with applicable professional standards. Cherry Bekaert LLP is a licensed CPA firm that provides attest services, and Cherry Bekaert Advisory LLC and its subsidiary entities provide business advisory and non-attest services. For more details, visit [cbh.com/disclosure](http://cbh.com/disclosure).

## Section 3: Firm Qualifications, Experience and References

*Respondent shall provide firm and staff qualifications and demonstrate the firm’s prior experience in audit engagements conducted in accordance with Government Auditing Standards and Generally Accepted Accounting Principles.*

### Government Auditing Experience

Government and public sector organizations are in an environment of accelerated change and greater expectations from the constituents they serve. From fluctuating budgets, new program demands, increasingly complex compliance restrictions, political priorities, potential near-term economic changes, and the need from constituents for greater access to services, we understand the distinct challenges state and local governments face. We also recognize economic impacts of any kind affect state and local government first.

At Cherry Bekaert, we focus on the areas of highest need and those that enable and improve the efficiency and effectiveness of the business of digital government. Our Government & Public Sector (“GPS”) team has a deep understanding of the complex challenges federal, state and local governments and public sector organizations face. As one of the largest providers of audit and accounting services to the state and local market, we have unique insight into the operations and business of governments. And in the current environment, it is critical to have the right government accountant providing the proper technical guidance, reducing the demands on government staff and allowing entities to focus on their constituents.

With extensive knowledge of the methods and techniques applicable to government auditing, our Audit and Assurance team is already one of the largest providers in the state and local audit and accounting space, serving clients around the nation. **The public sector comprises one of the largest portions of our attest client base; we provide innovative, effective government auditing and advisory services to 150+ local governments, public authorities/boards, school districts, and state and local agencies, ranging in size from \$2 million to \$9 billion.** We hold a dominant position as the auditor of choice in North Carolina, Virginia, and Florida. Using a digital environment with data-driven practices, we increase audit efficiency and enable government managers and leaders to better focus on their mission and delivering results to constituents.

Cherry Bekaert stands ready to assist our state and local government clients to achieve their organizational goals and manage effectively, efficiently and responsively. Many Cherry Bekaert team members have worked in government, helping us to better understand what you are trying to achieve and the obstacles and opportunities that may exist within your organization. You will find working with our team that we have a clear sense of your priorities, goals and objectives.

The Firm's GPS audit practice provides seamless service delivery, quality control and continuing education for government engagements throughout the country. The experience gained through service (e.g., financial audits, control assessments, performance audits, risk assessments) to such a wide breadth and depth of public sector organizations provides us with invaluable insight into the issues and stresses impacting you. Our professionals have held key positions for the Office of Management & Budget (OMB), the American Institute of Certified Public Accountants (AICPA), and state and local committees. They attend and teach at conferences hosted by the Government Finance Officer Association (GFOA), the Association for School Business Officials (ASBO), the Association of Government Accountants (AGA), the American Association of Airport Executives (AAAE) and the Airports Council International (ACI).

We understand that today’s government managers face distinct challenges from all directions. As such, we focus on areas of need specific to the public sector—everything from financial statement and related compliance audits to performance and operational audits—to help our clients manage effectively, efficiently and responsively. We have





gained market share by recruiting and developing an outstanding professional team throughout our entire footprint, and by establishing a cohesive leadership team that works as a collective brain trust for the sector. Our government professionals stay informed about market conditions and industry trends that may affect state and local governments. Through this commitment and dedication, we have a significant concentration of expertise which, together with our Firm's size, has provided us a niche and unsurpassed reputation in this industry.

### **Addressing New Accounting, Reporting, Compliance, and Audit Requirements**

Over the years, we have assisted our clients with GASB pronouncement implementation, providing research and advice to resolve many complex accounting issues, including:

- ▶ Recording other post-employment benefits under GASB #43 and GASB #45
- ▶ Capitalizing intangible assets under GASB #51
- ▶ Presenting changes in fund balance under GASB #54
- ▶ Providing assistance interpreting the fair value measurement and disclosure requirements under GASB #72 and the guidance for certain external investments pools and participants under GASB #79
- ▶ Assisting with analysis and implementation of the accounting and reporting aspects for pensions (GASB #67 and #68) and other postemployment benefits (GASB #74 and #75)
- ▶ Assisting with the analysis of fiduciary activities (GASB #84)
- ▶ Assisting with analysis of the accounting and reporting aspects of lease accounting (GASB #87)

We typically meet with our clients during engagement planning and throughout fieldwork to discuss new pronouncements and issues surrounding implementation.

We are very proactive in follow-up communication to derive appropriate solutions in the planning stages. Our knowledge of GASB pronouncements is complemented by our willingness to invest necessary time and resources, including appropriate consultation. For example, during our 2019 audit season, we began helping clients understand and plan to address the myriad of accounting and reporting requirements related to leases (required for 2022 financial statements).

Cherry Bekaert is also proud to be one of only two firms nationally to have provided a professional from our government team to serve on the last two-year GASB fellow program rotation, working with GASB on technical matters. As a GASB fellow, Scott Anderson, a Director from our Central Florida audit practice, was on the forefront of evolving standards currently contemplated. Since GASB is considering significant changes to financial reporting and presentation, Scott's involvement provides unique insights we can share with our clients. He finished his rotation and returned to the Firm in August 2022.

Your engagement team offers an unmatched depth of knowledge in current GASB requirements, as well as future reporting standards such as:

- ▶ GASB #91 – Conduit Debt
- ▶ GASB #94 – Public-Private Agreements
- ▶ GASB #96 – Subscription Based Technology Agreements
- ▶ GASB #97 – Component Unit Criteria and Deferred Compensation Plans
- ▶ GASB #101 - Compensated Absences

### **Thought Leadership**

The field of governmental accounting and financial management is dynamic for both you and your external auditors. Pronouncements from the following bodies all have significant impact on this sector:

- ▶ GASB (altering internal accounting and external reporting)
- ▶ AICPA (modifying audit standards and procedures)
- ▶ OMB (creating new compliance demands associated with the expenditure of Federal funds)

We consider the training of our professionals to be extremely important to best meet the evolving needs of our profession and provide the highest quality of service to our clients. Furthermore, we are dedicated to the continuing education of our clients and the greater Public Sector community. We offer webinars (<http://www.cbh.com/events/>) and seminars throughout the year, including the local chapters of the GFOA. It is this commitment to education and leadership of the public sector that has set us apart from other firms. Our professionals teach for the AICPA, GFOA and various other state and local government organizations. CPE topics we have provided to our clients and organizations in the past include:

- ▶ GASB and/or Uniform Guidance Update
- ▶ Evolution of Internal Control
- ▶ Behavioral Ethics
- ▶ Professional Skepticism
- ▶ Risk Assessment topics
- ▶ Current Information Technology hot topics
- ▶ What’s Your Fraud I.Q.?

Additionally, Cherry Bekaert’s Government Services Blog (<http://www.cbh.com/industries/government/>) helps keep our governmental clients up to date on vital business and financial information. And our **annual Government Benchmarking survey** aggregates responses from over 150 government financial and operational leaders to capture and identify significant trends relevant to governments. Based on responses from local government participants, we can share valuable feedback that allows governmental organizations to compare their own performance, accomplishments and challenges with similar entities across the United States. This year’s report highlights trends in how entities are handling a variety of issues and provides recommendations on changes that need to be made to better prepare for the future. Such topics we address, in addition to those previously mentioned, include COVID-19, financial reporting and risk assessments. Highlights and the complete report are available at [cbh.com/localgovsurvey](http://cbh.com/localgovsurvey).

### Government Audit Clients

A representative list of our current and past North Carolina government clients includes the following, all of which were performed under GASB 34:

Local Government	Services	GFOA	Served Since
Durham County	Audit, Single Audit	*	1997
Forsyth County	Audit, Single Audit	*	2009 to 2017 and 2022
Guilford County	Audit, Single Audit	*	2000
Mecklenburg County	Audit, Single Audit, Agreed Upon Procedures	*	2004
New Hanover County	Audit, Single Audit	*	2015
Randolph County	Audit, Single Audit	*	2005
Orange County	Audit, Single Audit	*	2021
Henderson County	Audit, Single Audit	*	2022
Cumberland County	Audit, Single Audit, Consulting	*	1987-2019 and 2022
Greene County	Audit, Single Audit		2019 - 2021
Tyrrell County	Audit, Single Audit		2017
Union County	Audit, Single Audit		2015 - 2019 and 2022
City of Asheville	Audit, Single Audit	*	2012 - 2017 and 2023

Local Government	Services	GFOA	Served Since
City of Charlotte	Audit, Single Audit	*	2003
City of Durham	Audit, Single Audit, Agreed Upon Procedures	*	2012
City of Greensboro	Audit, Single Audit	*	2011
City of Greenville	Audit, Single Audit, Due Diligence	*	2015
City of High Point	Audit, Single Audit, Consulting	*	2015
City of Jacksonville	Audit, Single Audit	*	2019 - 2021
City of Raleigh	Audit, Single Audit, AUPs	*	2002
City of Reidsville	Audit, Single Audit	*	2017
Town of Morrisville	Audit, Single Audit	*	2015
Town of Fuquay-Varina	Audit, Single Audit	*	2010
Town of Cary	Audit, Single Audit, AUPs	*	2002
Town of Hillsborough	Audit		2020 - 2021
Town of Wake Forest	Audit, Single Audit, Consulting	*	2013
Town of Holly Springs	Audit, Single Audit	*	2021
Cape Fear Public Utility Authority	Audit, Single Audit		2015 - 2021
Cumberland County Board of Education	Audit, Single Audit	*	2012 - 2021
NC Education Lottery	Audit and AUPs	*	2007
NC Turnpike Authority	Audit and AUPs		2009
New Hanover Board of Education	Audit, Single Audit	*	2007 - 2021
New Hanover County Airport Authority	Audit, Single Audit		2019
Centralina Regional Council	Audit, Single Audit		2017
Asheboro City Schools	Audit, Single Audit	*	1985 - 2020
Piedmont Triad Regional Water Authority	Audit		2004 - 2021
Triangle J Council of Governments	Audit, Single Audit		2010
Metropolitan Sewerage District of Buncombe County	Audit	*	2004

### Government Advisory Services

Our local offices have provided the following additional services to state and local government entities:

Government Entity	Services	Served Since
Cabarrus County	Risk Advisory, ARPA Consulting	2017
Cape Fear Public Utility Authority	Fraud/Forensics	2015
Centralina Regional Council	Technology Solutions	2017
City of Charlotte	Agreed-upon Procedures, Pre/Post Implementation Consulting	2001
City of Fayetteville	Pre/Post Implementation Consulting	2003
City of Greensboro	Pre/Post Implementation Consulting	2011
City of High Point	Control Readiness Consulting	2015
City of Raleigh & Federal Transit Administration (FTA)	Agreed-upon Procedures	2010
Cumberland County	Benefits Consulting	2017
Fayetteville Public Works Commission	Accounting Advisory, Pre/Post Implementation Consulting, Control Readiness Consulting	2014
Greater Raleigh Convention & Visitors Bureau	Accounting Advisory	2011
North Carolina Education Lottery	Agreed-upon Procedures	2007
North Carolina Turnpike Authority	Agreed-upon Procedures	2009
Town of Apex	Accounting Advisory	2021
Town of Wake Forest	Risk System & Process Consulting	2014
Triangle Transit	Agreed-upon Procedures	2001
Trillium Health Resources	Accounting Advisory, Cybersecurity, SOC Readiness, Technology Solutions	2015
Wake County Register of Deeds	Risk Advisory and Organizational Assessment	2021
Various Large State and Local Governments in VA and FL	Pre- and Post-Implementation Review services	-
Various State and Local Governments in NC, GA, VA and FL	Internal Review Discovery Services and Internal Investigation services	-

We recognize that in addition to traditional compliance, Centralina faces numerous business issues that either contribute to or prohibit long-term goals and success. Cherry Bekaert’s Risk and Accounting Advisory Services, which is led out of the Mid-Carolinas practice, offers a wide range of specialized risk and accounting advisory services designed to enhance profitability, reduce expenses and meet Centralina’s goals:

Operational Efficiency & Process Improvement	Cyber Security	Internal Control Maturity & IT Risk Assessment	Fraud & Forensics
<p>Understanding a process starts with getting the right context. Cherry Bekaert starts by clearly identifying risks to management objectives including:</p> <ul style="list-style-type: none"> <li>▶ Financial Reporting</li> <li>▶ Operations</li> <li>▶ Compliance Objectives</li> <li>▶ Entity-level</li> <li>▶ Activity-level</li> </ul> <p>When risks are clearly understood, the purpose of a process becomes evident – as do potential process improvements needed to address risks and achieve management objectives.</p>	<p>Cherry Bekaert’s Risk and Accounting Advisory Services Group assists clients in identifying relevant cybersecurity risks and developing realistic solutions and plans to help minimize the likelihood and impact of data being compromised.</p> <ul style="list-style-type: none"> <li>▶ IT Governance, Security Planning and Policies &amp; Procedures</li> <li>▶ Security Awareness Training &amp; Program Development</li> <li>▶ Readiness Assessments</li> <li>▶ Risk Assessments</li> <li>▶ Vulnerability Assessments</li> <li>▶ Attack &amp; Penetration Tests/Ethical Hacking</li> <li>▶ Due Diligence for Transactions</li> </ul>	<p>Internal Control Maturity and IT Risk Assessments identify, assess, and prioritize threats to an organization’s IT, systems, applications, and operations. These may include security/privacy threats, fraud and abuse exposures, and inefficient/ineffective operational vulnerabilities.</p> <ul style="list-style-type: none"> <li>▶ IT Security</li> <li>▶ Risk/Control Environment</li> <li>▶ Disaster Recovery Planning</li> </ul>	<p>Cherry Bekaert’s Fraud &amp; Forensic Practice includes experienced professionals trained in forensic accounting who work with public sector and not-for-profit organizations to assess suspected fraudulent activity and help safeguard organizations against future losses. Services include:</p> <ul style="list-style-type: none"> <li>▶ Internal Review and Discovery Services</li> <li>▶ Fraud Examination and Forensic Accounting</li> <li>▶ Forensic Technology</li> <li>▶ Digital Data Forensics</li> <li>▶ Expert Witness Testimony</li> <li>▶ Fraud Risk Assessment and Gap Analysis</li> <li>▶ Comprehensive anti-fraud program of controls both design and implementation</li> </ul>

**Relevant Background of Assignees**

We consider the training of our professionals to be extremely important to best meet the evolving needs of our profession and provide the highest quality of service to our clients. We believe that to consistently offer our clients the most current information, continuing education of our personnel is a mission-critical objective. It is the policy of Cherry Bekaert that all professional personnel:

- ▶ Comply with the continuing professional education requirements of the AICPA, the SEC Practice Section of the AIPCA Division for Firms, the appropriate state boards of accountancy, the U.S. Government Accountability Office, Yellow Book requirements and other regulatory agencies as applicable;
- ▶ Maintain an adequate awareness and understanding of current developments in technical literature; and

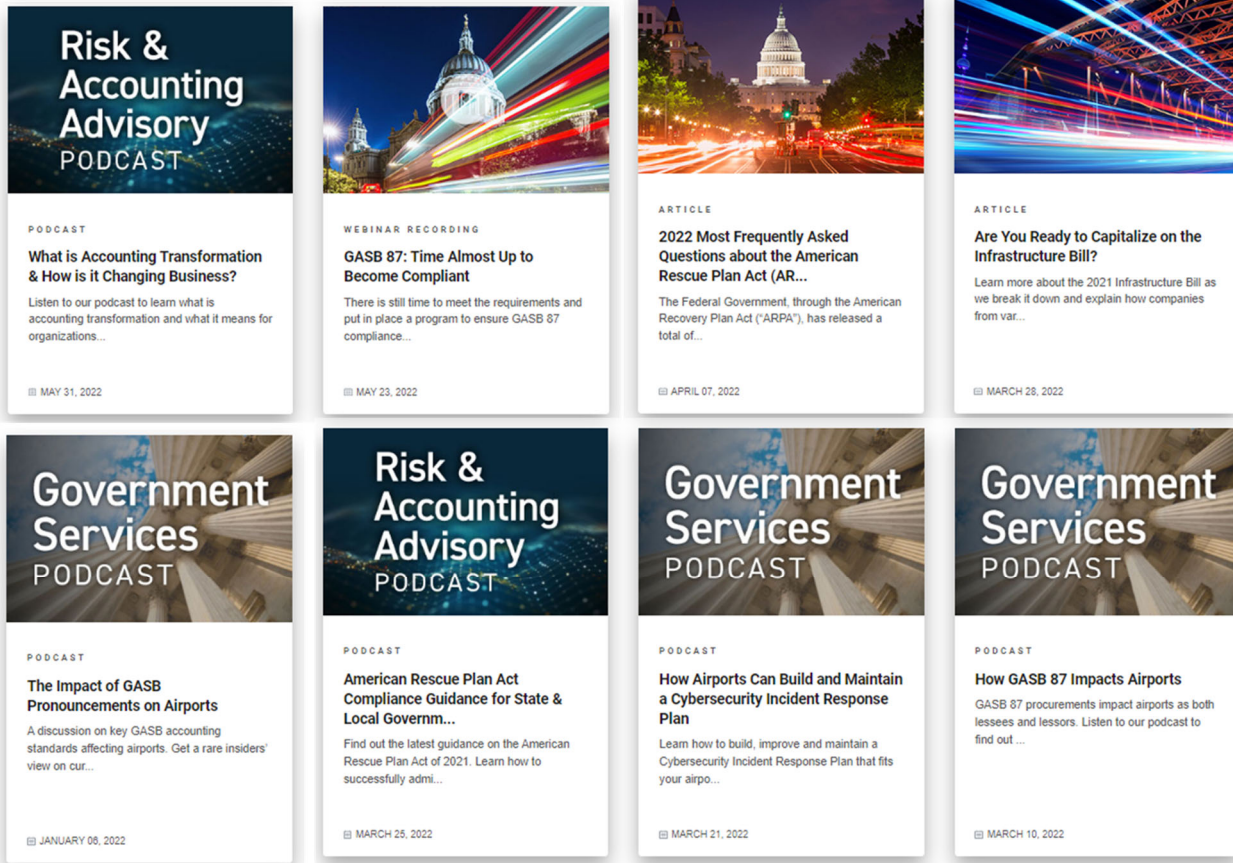
- ▶ Assist in the training and development of staff members under their supervision.

In our commitment to training, we require all client service professionals complete at least 20 hours of qualifying CPE every year and at least 120 hours every three (3) years. In addition, all client service professionals who serve governmental entities are required to complete 80 hours of CPE every two (2) years with at least 24 hours in subjects that directly relate to government auditing and/or the government environment. CPE is obtained through various sources, including AICPA, national and state GFOA conferences, state society of CPA industry conferences and webinars, other industry conferences (example: AHACPA's annual Public Housing Authority conference) and internally provided seminars and webinars. Government-specific CPE courses that our professionals have taken over the last five years, in addition to speaking engagements to provide CPE for various organizations, include the following:

- |   |   |
|---|---|
| ▶ Government Risk Assessment                | ▶ Cash Flows in a Government Environment                |
| ▶ Single Audit Fundamentals                 | ▶ AICPA Clarity Standards                               |
| ▶ AICPA Peer Review Update for Government   | ▶ GAQC Single Audit Roundtable                          |
| ▶ Local Government Impacts of COVID-19      | ▶ GASB 84, Fiduciary Activities                         |
| ▶ Government ACFR Preparation               | ▶ GASB 87, Leases                                       |
| ▶ Yellow Book 2018 Update                   | ▶ 2020 Single Audit Deep Dive                           |
| ▶ Annual GASB Updates                       | ▶ Audits of State and Local Governments                 |
| ▶ Auditing OPEB                             | ▶ Assets and Liabilities of State and Local Governments |
| ▶ Deep Dive into GASB 77, 79, 80 and 87     | ▶ Reporting in a Single Audit                           |
| ▶ Local Government Accountability Update    | ▶ Intermediate Government Accounting                    |
| ▶ Single Audit Compliance Supplement Update | ▶ Testing Internal Controls in a Single Audit           |
| ▶ GASB 72, Fair Value Accounting            | ▶ Single Audit Nuts and Bolts                           |
| ▶ Uniform Guidance requirements             | ▶ National/State GFOA Annual Conferences                |
| ▶ Government fraud risk                     | ▶ AICPA GAQC Courses                                    |
| ▶ Annual GFOA GASB Updates                  |   |

Furthermore, we are dedicated to the continuing education of our clients and the greater Public Sector community in addition to our employees. It is this commitment to education and leadership of the public sector that has set us apart from other firms. As leaders in the industry, your engagement team has been providing guidance to the public sector for the majority of their careers, bringing decades of combined experience to Centralina. For example, Daniel T. Gougherty is a speaker on topics for internal and external trainings and had spoken at the 2020 NCGFOA Winter Conference and the 2020 SACUBO Fall Workshop on GASB 87: Leases. Daniel was involved in the implementation team for GASB 87, has written an article on Coronavirus Relief Funds, and has presented on this topic at Cherry Bekaert's Annual Government Seminar held virtually in August 2020. Daniel further attends the winter and summer NCGFOA conference regularly.

We also offer webinars (<http://www.cbh.com/events/>) and seminars throughout the year, to include the local chapters of the GFOA. Cherry Bekaert's Government Services Blog (<http://www.cbh.com/industries/government/>) helps keep our governmental clients up to date on vital business and financial information. Examples of recent thought leadership and education are depicted on the following page.



## Peer Review

### *Provide copy of most recent peer review report*

Cherry Bekaert has passed, without exception, 15 consecutive peer reviews conducted under the auspices of the AICPA. A copy of our most recent peer review report as well as the acceptance letter from the AICPA are included below. The review included a number of specific engagements for which Single Audit and Government Auditing Standards apply.

The Firm is a member of the AICPA’s SEC Practice Section and Private Companies Practice Section (PCPS) of the Division for CPA Firms and practices under the AICPA-recognized quality control program. Selected Firm professionals are approved by the AICPA to perform peer review, quality assurance review and consulting review of other CPA firms’ quality assurance programs. Firm leaders and partners in charge of industry practice areas maintain vital links to policy-making bodies in public accounting. Our personnel committee assignments and industry associations include (but are not limited to):

- ▶ Accounting Standards Executive Committee
- ▶ AICPA Professional Ethics Committee
- ▶ AICPA Auditing Standards Organization
- ▶ AICPA Accounting and Review Services Committee
- ▶ AICPA Technical Issues Committee, Private Companies Practice Section
- ▶ AICPA Tax Division and its Individual Taxation Subcommittee
- ▶ AICPA SEC Practice Section Executive Committee
- ▶ AICPA Accounting Practice Committee



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### Report on the Firm's System of Quality Control

November 29, 2022

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, 2022. 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](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported on 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 and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of 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 on in conformity with the requirements of applicable 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 and compliance with the firm's system of quality control 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; and an examination of service organizations (SOC 2 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, 2022, 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  
Iselin, New Jersey



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National Peer  
Review Committee

December 16, 2022

Michelle Thompson  
Cherry Bekaert LLP  
3800 Glenwood Ave Ste 200  
Raleigh, NC 27612-5532

Dear Michelle Thompson:

It is my pleasure to notify you that on December 16, 2022, 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, 2025. 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 Wagner  
Chair, National PRC

+1.919.402.4502

cc: Marc Fogarty, Steven Siegel

Firm Number: 900010011816

Review Number: 594133

## Attachment B –References Sheet

### ATTACHMENT B: REFERENCES

Respondent **must** provide a minimum of three (3) references for whom you have performed similar services as described herein. **Note:** E-mail addresses must be valid. Failure to provide a valid email may subject the Respondent’s proposal to rejection.

#### Reference 1:

Client Name	City of Charlotte
Type of Service / Scope of Work	Financial and Single Audit
Performance Dates	2013 - present
Contact Name	Teresa Smith, Chief Financial Officer
Phone	704.336.8567
Email	Teresa.Smith@charlottenc.gov

#### Reference 2:

Client Name	Mecklenburg County
Type of Service / Scope of Work	Financial and compliance audits
Performance Dates	2004 - present
Contact Name	Patricia Gibson, Central Finance Director
Phone	980.314.2964
Email	Patricia.Gibson@mecklenburgcountync.gov

#### Reference 3:

Client Name	Triangle J Council of Governments
Type of Service / Scope of Work	Audit Services
Performance Dates	2010 - present
Contact Name	Lee Worsley, Executive Director
Phone	919.558.9395
Email	lworsley@tjcog.org

## Section 4: Audit Approach

*Respondent shall provide the firm’s proposed strategy and technical approach to meet the Scope of Work requirements outlined in Section 5 below, including any procedures, methodologies, resources, systems, etc.*

### Financial Audit Approach

Cherry Bekaert utilizes a risk-based tailored audit approach and program. The Firm employs an efficient, effective, compliant and time-tested audit process utilizing a methodology that facilitates quality and delivers a comprehensive and timely audit. Our approach focuses on a targeted examination of your financial statements by addressing the risks related to the fair presentation of the statements in accordance with U.S. Generally Accepted Accounting Principles.

Our audit of Centralina will feature CCH Engagement software, a state-of-the-art automated environment enabling our audit documentation to be virtually paperless and our engagement team members to share files via wireless technology. We tailor Thomson Reuters PPC audit and accounting guidance to specifically address the audit and risk areas associated with each local government client. These audit programs will reflect the identified areas of risk and help us ensure that such areas receive the proper degree of audit consideration.

Cherry Bekaert, like multiple accounting firms across the U.S., uses PPC's Audit and Accounting guidance and audit engagement workflow tools as a starting point for our audit program sheets. PPC provides the breadth and depth for specific industry coverage and is always at the forefront of new and changing standards. Then the audit team will tailor these audit programs based on the specific risks (inherent, control and overall risk of material misstatement) that have been identified during the planning and brainstorming session by the audit team assigned to Centralina’s audit.

The following chart shows the key procedures and audit segmentation applied during each of the defined stages of the audit engagement:

I. Planning and Inherent Risk Assessment	
<b>Planning Procedures</b>	
<p>1. <i>Initial Meetings with Management:</i> We will schedule an entrance conference to introduce all key personnel, discuss the planned audit scope, and verify our understanding of communication channels and working relationships. These early discussions will ensure the County's awareness and compliance with new requirements and allow a reasonable amount of time for implementation and consultation. We will discuss the following:</p>	
<ul style="list-style-type: none"> <li>▶ Anticipated audit issues</li> <li>▶ New accounting principles and/or auditing updates</li> <li>▶ New laws or regulations, including the Uniform Guidance, and the expected impact on the County.</li> <li>▶ Any staff concerns</li> <li>▶ Initial audit approach and dates, as well as dates and times for periodic audit progress meetings</li> </ul>	<ul style="list-style-type: none"> <li>▶ Reporting requirements and deadlines</li> <li>▶ Assistance to be provided by County staff</li> <li>▶ Review of any reports issued by regulatory agencies during the year</li> <li>▶ Audit concerns or operational changes that could affect the audits</li> </ul>
<p>2. <i>Perform Preliminary Analytical Review Procedures:</i> We will perform a preliminary analytical review to analyze the financial statements for unusual trends and results and to identify in advance the high audit risk areas. To strengthen audit confidence and risk assessment compliance, Cherry Bekaert uses MindBridge, an AI-enhanced auditing data analytic tool to analyze 100% of transactions using a risk-scoring mechanism based on predefined control points, including rule based, statistical and AI learned selection criteria. Using data analytics provides efficient means to spotting risks and anomalies. Having insight into riskier transactions and data anomalies enables our engagement team to better understand the risk of material misstatement and design more effective audit procedures. Extended audit procedures are then focused on the areas of unusual results or potential audit risk.</p>	

3. **Determine Audit Materiality:** We will calculate materiality during the preliminary planning process for the audit. However, it must be pointed out that this calculated materiality is only a starting point. Auditing standards define materiality from the viewpoint of the user of the financial statements, not the auditor. The question we have to ask is, "Would it affect the user's conclusions regarding the financial position or results of operations of the County, if the adjustment was not made or a particular fact was not disclosed?"

As a result, for certain areas, such as compliance requirements or potential fraud related to cash receipts, our materiality levels may be adjusted to take into account the user's perspective.

**Assess the Risk of Fraud:** The auditor's consideration of inherent, fraud, and internal control risk (including control environment, risk assessment, communication, and monitoring) affects the nature, timing, and extent of testing. During the planning phase, we will identify and document all risks and associate them with significant financial statement line items and assertions during the Risk Assessment Synthesis (RAS). For each risk identified, we will also document the nature and extent of the risk and condition(s) that gave rise to the risk. Typical procedures include:

- ▶ Hold audit team meetings to "brainstorm" ideas regarding how fraud could be perpetrated and concealed.
- ▶ Inquire of management and others significantly involved in financial reporting to: (1) identify known instances of fraud and (2) determine how someone could rationalize, perpetrate, and conceal fraud.
- ▶ Evaluate the possibility that management could override internal controls.

Statement on Auditing Standard No. 99, *Consideration of Fraud in a Financial Statement Audit*, requires us to document fraud risk factors related to the misappropriation of assets and fraudulent financial reporting and to design and perform additional procedures, if necessary. We document these risk factors through discussions with key accounting department personnel during the planning stage. The goal is to identify areas of risk, inquire as to your knowledge of any occurrence of fraud and to inquire of any areas where you may have a concern. Should additional tailored procedures be required, we will develop them and integrate them into our audit approach.

**Inherent Risk Assessment:** Inherent risk involves the degree to which a financial statement assertion is susceptible to misstatement due to the nature of the account. The objective of our inherent risk assessment is to take into consideration all that we have learned about the organization, changes that have occurred during the year, its operating environment, and about the risk of fraud and determine what our audit response, if any, should be. The risks identified and our planned responses to these risks will be summarized and documented in our working papers.

## II. Internal Control Documentation, Verification and Testing

Our internal control phase will be designed to carefully assess control-risk factors corresponding with all significant financial statement assertions. We will conform to AICPA's risk-assessment standards, which include evaluating and testing internal controls to support our report on the following determinations:

- ▶ Assets are safeguarded from loss from unauthorized acquisition, use, or disposition;
- ▶ Transactions are executed in accordance with budget authority and significant provisions of applicable laws and regulations; and
- ▶ Transactions are properly recorded, processed, and summarized to permit preparation of the financial statements and to maintain accountability for assets.

**Entity Level Controls:** As part of our entity level control assessment, we will consider whether there are organizational-wide processes, outlined below, that promote strong internal controls. Verification of these entity level controls is generally performed through the use of interviews of key staff and review of documentation maintained by those key staff.

- ▶ Monitoring
- ▶ Control Environment

- ▶ Risk Assessment
- ▶ Information and Communication

**Process Level Control Activities**

*Documentation* - Obtain and review documentation of process level control activities applicable to:

- ▶ All significant fiscal processes
- ▶ Accounting administration
- ▶ The general ledger
- ▶ Information systems
- ▶ Year-end close and financial reporting

*Verification* - We will verify that all key controls identified are in place and appear to be operating effectively. This is done by inquiry and observation, and walk-through procedures that trace process from initiation to completion.

**Testing:** The team will prepare sampling control test work plans. We will select the most effective and efficient testing techniques when determining the nature of the tests to apply. The nature of our testing will fall into one of the following three non-sampling control test categories:

- ▶ Observation involves physically observing organization personnel performing the control technique to be tested.
- ▶ Inquiry involves making either oral or written inquiries of organization personnel responsible for specific control techniques to determine what they do or how they perform a specific control technique.
- ▶ Inspection involves examining documents and records for evidence that a control technique actually occurred.

Determining the timing of control tests depends on the type of test. For example, observations should be conducted during the period under audit. Inspections, on the other hand, could be performed after year-end, as long as documents being examined are from the period under audit. The extent of testing is determined by auditor judgment to be the level necessary to assess the effectiveness of the controls.

Our use of sampling will also consider requirements of the Uniform Guidance. If necessary, we will draw representative sample selections for each separate system of internal control over major federal programs. We will integrate these tests, to the extent possible, with required sampling for reliance on other aspects of the County's internal control structure.

**III. Risk Assessment Synthesis**

We use a risk assessment synthesis process to summarize results of our initial planning, inherent risk assessment, and documentation of entity level and process level internal controls. The risk assessment synthesis process is designed to:

- ▶ Identify significant audit areas
- ▶ Document the risks of material misstatement affecting each area (including fraud risks or other significant risks)
- ▶ Assess those risks and select an audit approach that is appropriately tailored to respond to the assessed level of risk,
- ▶ Document the linkage of the assessed risks to the audit procedures that respond to those risks.

One of the byproducts of this process will be the identification of potential improvements that could be made to strengthen the internal control process, eliminate duplicative controls or improve the operating efficiency of the County's financial processes. Any observations will be shared with the County's management team at the conclusion of this phase of the audit. We will also use the lessons learned to develop our customized audit programs by significant area that reflects our risk assessment process.

#### IV. Compliance Testing

This engagement will include the issuance of an opinion on the annual financial statements prepared by the County and applying procedures and reporting on the schedule of expenditures of Federal awards presented as supplementary information. The engagement will also include consideration, testing, and reporting on the County's internal controls and compliance, for both laws and regulations that could have a material impact on the financial statements, as well as compliance requirements material to major Federal programs. The aforementioned statement of work will be performed in accordance with GAAS; 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, and Audits of States and Local Governments.

Our compliance audit procedures will be designed to identify and test those transactions and activities that are likely to have a direct and material impact on the County's basic financial statements and to determine whether they were carried out in accordance with the provisions of laws, rules, contracts, and grantor guidelines. Our reports will note instances of noncompliance that could have a direct and material effect on the County's financial statements.

The nature and extent of our compliance tests are derived from the following:

- ▶ Results of our analysis of internal control over compliance matters
- ▶ Review of debt documents
- ▶ Correspondence with Federal and State agencies
- ▶ Review of the County's agreements
- ▶ Review of the County's internal policies and procedures
- ▶ General statutes
- ▶ Grant agreements
- ▶ AICPA Statements of Position
- ▶ AICPA Statements on Auditing Standards
- ▶ Government Auditing Standards
- ▶ Uniform Guidance Compliance Supplement
- ▶ Other applicable professional standards and guidance

#### V. Further Audit Procedures (Substantive Testing)

We will perform substantive tests to form conclusions about whether the financial statements are free from material misstatements. These customized audit procedures come directly from our risk assessment procedures.

**Conduct Substantive Tests:** The objective of our substantive testing is to:

- ▶ Determine if financial statement assertions are materially misstated.
- ▶ Form an opinion about whether the principal statements are presented fairly in accordance with the organization's basis of accounting.

Substantive test procedures will be applied to all significant assertions in each significant financial statement line item and account. As with the sampling control testing described above, the team makes use of computerized audit tools to improve the efficiency and effectiveness of substantive tests. The extent of substantive testing is based largely upon our assessed level of combined risk. For example, if we assess combined risk as low, then we can rely upon internal controls and perform limited testing. If, however, we assess combined risk as high, we must obtain all assurance from substantive testing to express an opinion on the financial statements. The two types of substantive tests are analytical review procedures and detail tests.

- ▶ Analytical review procedures involve establishing an expectation of what a significant balance or transaction total should be. If the actual amount is within a certain limit of the established expectation, then the auditor may determine that no further testing is necessary or that additional detail testing is desirable.
- ▶ Detail tests are procedures applied to individual items selected for testing and include confirmation, physical observation, vouching, and recalculation.

**Conduct Tests Related to Fraud Risks:** We will perform testing for fraud risks identified during the planning phase that are not mitigated by internal controls. Testing will be combined with substantive and compliance testing to the extent practical. In addition to testing for specifically identified fraud risk, we will perform the following procedures to identify fraud related to management override of controls:

- ▶ Examine journal entries and other significant adjustments.
- ▶ Review accounting estimates.
- ▶ Evaluate the business rationale for significant and non-recurring transactions.

**Complete Overall Analytical Review Procedures:** Once all the final adjustments are recorded and a final draft of the financial statements has been prepared, we will conduct analytical review procedures. Specifically, we will review the financial statements and supporting trial balances for key relationships and determine if audit evidence is consistent with variances noted during preliminary analytical procedures. Our analytic review will include trend and comparative analysis and will encompass the use of key liquidity, performance and operational metrics.

**Determine Adequacy of Audit Procedures and Audit Scope:** In the planning phase, we determined planning materiality based on preliminary information. Based on planning materiality, we determined design and test materiality levels, which impacted the nature and extent of testing. We now will determine a final materiality based upon audited balances. In light of the final assessment of combined risk and final materiality level, we will consider if the extent of substantive audit procedures was sufficient.

**Evaluate Known and Likely Misstatements:** Misstatements will be evaluated both in quantitative and qualitative terms. Based largely on these considerations and our evaluation, we will determine the type of audit opinion and internal control and compliance reports to render.

## VI. Reporting

**Review of ACFR for GFOA Compliance:** Before issuance of our audit reports, we will review the ACFR in comparison to our Firm’s standard governmental reporting checklist and the current GFOA reporting checklist to help ensure compliance with the certificate program requirements. We will also review any comments received from the most recent submission to ensure all matters are addressed appropriately.

We will prepare the following reports in accordance with GAAS, GAS, and Uniform Guidance:

- ▶ Opinion on the fair presentation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America.
- ▶ Opinion on the fair presentation of the other supplementary information and the schedule of expenditures of federal awards in conformity with accounting principles generally accepted in the United States of America.
- ▶ Report on compliance and on internal control over financial reporting based on an audit of the financial statements performed in accordance with Government Auditing Standards. We will communicate:
  - All instances of noncompliance that could have a material effect on the financial statements in the report.
  - All reportable conditions and material weaknesses in internal controls over financial reporting and its operation in the report.
- ▶ Report on compliance with requirements applicable to each major program and internal control over compliance in accordance with Uniform Guidance (formerly OMB Circular A-133). We will report/communicate:
  - All instances of noncompliance with the specific requirements for major federal program in the report on compliance and in the Schedule of Findings and Questioned Costs.

- All reportable conditions affecting major federal programs in the report. Further, we will identify any material weaknesses in the report. Any finding or weaknesses shall be reported immediately to the appropriate level of management.
  - ▶ The Data Collection Form.
- Review Reports with Management, Finalize and Present to Governing Body:** We will review our draft auditor’s reports, management letter and other matters with management and solicit their input. After meeting with management, the auditor’s reports will be finalized and signed, and we will present the audit to the Board of Supervisors in accordance with Virginia statutes.
- The culmination of all of our audit testing is an opinion on the fair presentation of the financial statements. This objective is achieved through the conscious effort of both Cherry Bekaert and the County personnel to proactively address any reporting matters (e.g., GAAP, GFOA certificate program) and by meeting with management to keep all apprised

**Use of Technology**

Leveraging the power of technology is critical as financial and operational systems become more complex, companies expand nationally and internationally, and regulatory requirements change. Cherry Bekaert employs and offers expertise in a wide range of solutions and platforms to improve the efficiency, quality, compliance, integration and speed of our engagements. Our audit and advisory services combine data analysis software, wireless technology and engagement management software. As such, our documentation is virtually paperless with procedures documented in an automated environment and files shared through encrypted wireless technology among engagement team members. We will also provide a secure client portal for transmitting information to the engagement team over the internet.

<b>Data Analysis Software</b>
IDEA data analysis software is an excellent tool to test for ways to improve efficiency and effectiveness. ActiveData advanced data analytics and statistics assist in understanding trends and identifying anomalies.
<b>Workpaper Management</b>
We manage workpapers with CCH Engagement, allowing us to prepare, review, transfer and manage our work in a paperless environment.
<b>MindBridge</b>
MindBridge leverages artificial intelligence (AI) to detect unintentional errors and intentional misstatements, minimizing financial loss while automating our audit approach. We use its AI-enhanced risk-scoring mechanism to focus on higher-risk items, improving the efficiency of journal entry testing. In addition, MindBridge enables us to perform a revenue reconciliation and proof of cash exercise by simply uploading your general ledger, which reduces the revenue sample sizes our teams need to detail test.
<b>Secure Document Management</b>
Cherry Bekaert uses secure, web-based document management solutions, via Smartsheet®, for clients to transmit data files to the team. Authentication to the Smartsheet® portal utilizes unique login credentials, and data is secured through SSL encryption.



**Coordination & Communication Using Smartsheet®**

Cherry Bekaert recognizes that the business landscape is rapidly changing with employees working remotely, businesses operating in multiple locations and technologies improving at lightning speed. To ensure seamless delivery and efficient communication, we will utilize Smartsheet® throughout the audit process. Cherry Bekaert utilizes this powerful cloud-based tool to track and manage the entire audit engagement in real-time through a highly secure platform. You can attach documents, log comments and notes, schedule check-in meetings, share screens and show request status and progress throughout the year, not just at final fieldwork or at a single point in the process.

Our firm’s previous investment in technology and process changes allowed us to perform audit engagements remotely without missing a beat. We have collaborated with clients to employ our technology and tools to restructure the audit processes. We created virtual audit environments that provided high quality audits with highly flexible scheduling. This minimized disruptions in an unsettled environment and eliminated travel/in-person meeting requirements. However, we understand building trust in a new relationship is important and frequent interaction is necessary. We utilize Microsoft Teams to meet remotely with clients and Smartsheet® to stay engaged with our clients throughout the engagement process. We understand that remote/virtual auditing does not work in all cases, and we are flexible in its application. We will work with your staff to determine what procedures/activities can be conducted remotely versus on-site during the planning phase.

Your engagement team will share in a way that creates efficiencies and enhances a collaborative communication environment. Service delivery using Smartsheet® allows us to:

- ▶ Promote real-time and year round collaborative planning, communication and status updates
- ▶ Integrate the technology of information sharing seamlessly and without disruption
- ▶ Decompress the evidence gathering burden on your team
- ▶ Reduce distractions to your team
- ▶ Minimize your training of Cherry Bekaert staff
- ▶ Enhance specialist interaction.

**Information Security Statement:** The Firm takes the security of all our clients’ data very seriously. Smartsheet® encryption and access controls protect your data at rest and in transit. In addition, Cherry Bekaert maintains Information Security Policies and monitoring procedures that only allow authorized individuals to access client data within Smartsheet® based on their job function. For more information on how Smartsheet® delivers secure solutions, please visit: <https://www.smartsheet.com/security-info>.

**Approach to Management Communication**

Open and regular communication is a part of our Firm’s culture and an integral part of our service philosophy. We offer to meet as frequently as requested to:

- ▶ Determine financial reporting strategies for operations and special transactions; and
- ▶ Discuss newly issued accounting pronouncements and implementation issues.

Regarding management communication during the audit, we will communicate any accounting or internal control issues noted during the audit as soon as they arise. We will also communicate opportunities to improve internal control informally for consideration during the course of the audit and formally in a management letter at the audit’s conclusion.

In preparing management comments and recommendations, we utilize a “bottom-up” review approach to avoid any surprises. This allows management directly responsible for the activity to review any draft comments or recommendations before comments are discussed at higher levels. The facts behind any observation will be agreed to by both Cherry Bekaert and Centralina before any finding progresses forward towards reporting. Any operational issues will be reported in a constructive manner; our findings will contain a statement of condition describing the situation and the problem that needs attention, what should be corrected, and why.



Our suggestions will withstand the four basic tests of corrective action:

- ▶ The recommendations will be cost effective
- ▶ The recommendations will be the simplest to implement in order to address the issue
- ▶ The recommendations must go to the heart of the problem and not just correct the “symptoms”
- ▶ The corrective action will document why the deficiency occurred.

We do not dwell on matters of insignificance - rather, we design our letters to be useful and beneficial for improving our client’s performance. In addition to accounting issues noted during the audit, we will alert you to developing accounting standards. We typically communicate and resolve accounting and internal control matters as a normal part of the audit process, but will report any significant items immediately.

**Board of Delegate Communication**

Cherry Bekaert’s approach to communication with the Board of Delegates is simple and straightforward; we will:

- ▶ Be open and honest
- ▶ Deliver an appropriate amount detail
- ▶ Maintain routine dialogue with committee members.

We will communicate regularly to provide updates and make the Board of Delegates feel at ease regarding our progress, keeping them abreast of any significant issues/findings we have identified. Over the course of our audits, we often identify opportunities for future improvement and can share best practices from our experience with other large local government entities. When we issue a management letter to the committee, we strive to include a summary assessment of the issue(s) identified, along with a response from the responsible management team for that particular area of oversight. In many cases, we will make a recommendation on the best way to remediate the issue or provide several strategic options for the Board of Delegates consideration based on specific facts and circumstances.

***Names and qualifications of individuals who will have responsibility for this project. Include timing and location of preliminary and year end work and deliverables.***

**Engagement Team Information & Timeline**

Cherry Bekaert has carefully selected an experienced engagement team with specialized knowledge relating to the unique accounting and auditing issues. The table below lists the approximate percentage of time spent by each member of the proposed audit team. Full bios are available in **Appendix A**.

Team Member	Approximate Percentage of Time Spent
Daniel T. Gougherty, CPA	9%
April Adams, CPA	1%
Elizabeth Welch, CPA	20%
Danny Allwurden	30%
Associate (to be named later)	40%

Given the importance of client service to our organization, Cherry Bekaert implements several proprietary, internal client service programs throughout the year to help us better serve our clients. A key element is an annual client service plan to ensure we meet your needs and expectations. The client service plan guides and directs our efforts and communication throughout the year. During our initial client service planning meeting, we spend time making sure we learn and understand your goals, objectives, challenges and other advisers important to your organization. The client service plan is then used to guide and direct our efforts and communication throughout the year. This includes timelines, standard checklists and involvement of specialist resources.

The entire engagement team that serves Centralina will work together to share information, documents and what we all know about your business and service needs (goals, other relationships, delivery expectations, etc.). We will have periodic meetings with you to hear about your business and learn from them. This approach promotes stability by effectively sharing knowledge and collaboratively developing engagement solutions. We follow a “working leader” approach to client service. This ensures frequent and direct access to the directors/partners who maintain

responsibility for the engagement. Our Firm believes strongly that leadership engagement increases the value you gain from our services. We ensure staff continuity to drive efficiency, stability and familiarity with your business. This includes significant involvement by senior professionals before, during, and after an engagement. We employ a high ratio of partners and senior managers to staff.

Additionally, we emphasize the value of communication with our clients. Open, frequent communication throughout the engagement is part of our Firm’s culture and an integral part of our service philosophy. Throughout the engagement, we will provide weekly status updates via conference call, Microsoft Teams, in person meetings and/or email; whichever is preferred by Centralina stakeholders and management. We will discuss options within our technology tools such as Smartsheet® for reminders, notifications of completed tasks, etc.

**Primary Office Information**

Our Mid Carolina practice serves clients through offices in Charlotte, Raleigh, Durham and Fayetteville. They manage audit engagements for over 40 counties, cities, towns, school boards, authorities, commissions and other governmental entities, while also providing a wide range of advisory and attestation services (e.g., agreed upon procedures, indirect cost plans, internal control reviews, comfort letters, and strategic management services). The Firm’s Charlotte practice (NC license #2301) will be responsible for the proposed services, bringing the following combined resources.

Staff Level	Charlotte
Partner/Director	17
Sr. Manager	14
Manager	8
Senior	20
Staff	15
Admin	7

**Government Services Group**

In addition to local capacity and expertise, our Firm-wide Government & Public Sector (“GPS”) team has more than 200 professionals experienced and trained to understand the many facets of the public sector. As one of the largest providers of audit and accounting services to the state and local market, we have unique insight into the operations and business of governments. **The public sector comprises one of the largest portions of our attest client base; we provide innovative, effective government auditing and advisory services to 150+ local governments, public authorities/boards, school districts, and state and local agencies, ranging in size from \$2 million to \$9 billion.** We hold a dominant position as the auditor of choice in North Carolina, Virginia, and Florida; Since 2018, we have served nearly 100 public sector entities across North Carolina, providing a wide range of advisory and attestation services. Using a digital environment with data-driven practices, we increase audit efficiency and enable government managers and leaders to better focus on their mission and delivering results to constituents.

The Firm's GPS audit practice provides seamless service delivery, quality control and continuing education for government engagements throughout the country. The experience gained through service to such a wide breadth and depth of public sector organizations provides us with invaluable insight into the issues and stresses impacting you. Our professionals have held key positions for the Office of Management & Budget (OMB), the American Institute of Certified Public Accountants (AICPA), and state and local committees. They attend and teach at conferences hosted by the Government Finance Officer Association (GFOA), the Association for School Business Officials (ASBO), the Association of Government Accountants (AGA), the American Association of Airport Executives (AAAE) and the Airports Council International (ACI). Additionally, many Cherry Bekaert team members have worked in government, helping us to better understand what you are trying to achieve and the obstacles and opportunities that may exist within your organization. You will find working with our team that we have a clear sense of your priorities, goals and objectives.

**Proposed Timeline**

Planning and fieldwork timelines will be coordinated with Centralina to be as nonintrusive as possible. We recognize the audit process is a distraction from your day-to-day operations, so we will work with management to set a more detailed timeline once we confirm a date for the final trial balance and requested documents. A suggested timeline is shown on the following page. We can be flexible with the timeline to best meet your needs.

Updating our Understanding of Centralina	
Meet with Centralina's management team (in person, video or conference calls) on a regular basis throughout the year	Upon notification that Cherry Bekaert has been selected, Daniel Gougherty as the relationship director will establish a regular meeting and check-in schedule with you.
Audit	
Client acceptance	Upon notification that Cherry Bekaert has been selected.
Provide document request to Centralina	May 1, 2023
Fieldwork, including planning, tests of controls, opening balance work, and substantive testing	Mutually convenient dates in June/July and September
Draft financial statements, management letter and post audit communication letter to management for review	October 2, 2023
Final financial statements, management letter and post audit communication letter provided to management	October 31, 2023

## Section 5: Proposed Pricing

**Detailed price proposal per the Respondent’s desired format - Respondents shall provide a detailed price proposal based on their approach to delivering the scope of services in this RFP.**

We understand and appreciate your desire for professional service providers who are not only highly qualified, but who are also cost-conscious and cost-effective about the work they perform. We are mindful that cost is always one consideration, along with quality of the service, in selecting a professional services firm. Accordingly, we have structured our fee based on our previous years of experience, our knowledge of the Centralina’s operations and accounting systems and our strong desire to continue our mutually-beneficial relationship.

Our fees are generally based on the time required to complete the work at our established billing rates, plus clerical and computer charges and out-of-pocket expenses. Our fees are also based on other factors such as the complexity of the work, the skill required, time limits, the experience and abilities of our personnel, and the value of the services rendered. We have priced this engagement assuming that we will perform the audit remotely, with the exception of the board meeting where attendance will be in person. All services proposed herein are subject to the completion of our customary final client acceptance procedures.

### Future Fee Increases

The fees listed below for subsequent years assume no significant changes occur with your operation/organization and/or future accounting standards. A change in fees will apply should the scope of work change. If future accounting standards are issued and are effective, additional fees may be required to perform the necessary procedures to be in compliance with the new accounting standards. Should this occur, or there is a change in scope because of an increase in your operations, we would meet with you to obtain your agreement on any increase in the fee ranges before proceeding.

### Base Year, June 30, 2023 Audit

Professional	Estimated Hours *	Rate per Hour	Total Fee *
Audit Director	30	\$450	\$13,500
Audit Senior Manager	60	\$435	\$26,100
Audit Senior	90	\$285	\$25,650
Audit Staff	120	\$215	\$25,800
<b>Subtotal</b>			\$91,050
<b>Less Discount</b>			(41,050)
<b>Total Fee - 2023</b>			<b>\$50,000</b>

*\*Total fee assumes a maximum of one (1) single audit program will be tested each year. An additional Single Audit Fee of \$7,000 per program will be charged for each program over the maximum of one (1) program. Travel costs, cost of supplies and materials and other costs are included in the total fee.*

Subsequent Two (2) Years	Estimated Audit Fee*
Total Fee – 2024	\$53,000
Total Fee – 2025	\$56,000
Total Fee - 2026	\$59,000

**ATTACHMENT C: PRICING PROPOSAL SUMMARY**

In addition to completing this cover sheet, Respondents shall provide a detailed price proposal based on their approach to delivering the scope of services in this RFP. Note that Centralina is unable to accept unlimited reimbursable expenses. Any proposed reimbursable expenses must be capped in the price proposal.

SUMMARY OF AUDIT COSTS SHEET

1. Base Audit Includes Personnel costs, travel, and on-site work	\$ <u>50,000</u>
2. Financial Statement Preparation	\$ <u>0</u>
3. Extra Audit Service \$ <u>175</u> per hour	\$ <u>0</u>
4. Other (explain) _____	\$ <u>0</u>
5. Other (explain) _____	\$ <u>0</u>
<b><u>TOTAL</u></b>	\$ <u>50,000</u>

\* includes one single audit program and any additional single audit programs will be charged at \$7,000 per program

Please attach a full price proposal that references the specific tasks and deliverables outlined in Section 5 – SCOPE OF WORK. The format of the price proposal is at the discretion of the Respondent.

## Section 6: Appendix Administrative Information

### Attachment D – Location of Workers Utilized by Respondent

#### ATTACHMENT D: LOCATION OF WORKERS UTILIZED BY RESPONDENT

In accordance with NC General Statute 143-59.4, the Respondent shall detail the location(s) at which performance will occur, as well as the manner in which it intends to utilize resources or workers outside of the United States in the performance of this Contract. Centralina or its designee will evaluate the additional risks, costs, and other factors associated with such utilization prior to making an award. Please complete items a, b, and c below.

**Will any work under this Contract be performed outside the United States?**

<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
---	-----------------------------

If the Respondent answered "YES" above, Respondent shall complete items 1 and 2 below:

- List the location(s) outside the United States where work under this Contract will be performed by the Respondent, any sub-Contractors, employees, or other persons performing work under the Contract:

Chennai, India

- Describe the corporate structure and location of corporate employees and activities of the Respondent, its affiliates or any other sub-Contractors that will perform work outside the U.S.:

\* Please see below

**The Respondent agrees to provide notice, in writing to Centralina, of the relocation of the Respondent, employees of the Respondent, sub-Contractors of the Respondent, or other persons performing services under the Contract outside of the United States**

<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
---	-----------------------------

**Identify all U.S. locations at which performance will occur:**

North Carolina
----------------

\* Cherry Bekaert maintains an agreement with a third-party firm to provide staffing/resources. The third-party firm hires and employs skilled consultants that are dedicated to Cherry Bekaert, meaning they will only perform work for Cherry Bekaert and our clients. As such, the contractor is treated as a member of our engagement team and will be supervised completely by Cherry Bekaert engagement team members, with no direct interaction with Centralina.

All contractors use computer equipment and software provided by Cherry Bekaert. and are only provided access to client data for which we have received consent from the client. Cherry Bekaert currently uses the third-party firm contractors to assist with the preparation of assurance workpapers and deliverables. All contractors have degrees in accounting and/or finance. Cherry Bekaert is responsible for training and supervision of each contractor, similar to any Firm associate. All work prepared by a contractor is reviewed by Cherry Bekaert personnel. As a member of our engagement team, the contractor will not be the lead auditor in any area for which we have assessed high risk. The contractor will follow Cherry Bekaert policies (e.g., confidentiality) and those of the appropriate standards setting organizations (e.g., AICPA's GAAS, OMB's Government Auditing Standards). Consistent with Cherry Bekaert personnel, the contractor will comply with the AICPA and Government Auditing Standards independence requirements and requirements for continuing professional education while serving Centralina.

### Attachment E - Proof of Liability Insurance with its Limits

The Firm maintains adequate insurance coverage to meet the needs of Centralina. We have placed our professional liability insurance with a national carrier and our current limits of coverage are satisfactory for this engagement. We have provided evidence of our current insurance coverage as requested.

ACORD		CERTIFICATE OF LIABILITY INSURANCE				DATE (MM/DD/YYYY)
						10/3/2022
THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.						
IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).						
<b>PRODUCER</b> Scott Insurance 3900 Western Parkway, Suite 200 Richmond VA 23233		<b>CONTACT</b> Name: Cherice Tracy Phone: 804-545-2234 FAX: JAC. 804-455-8524 Email: ctracy@scotins.com		<b>INSURER(S) AFFORDING COVERAGE</b> INSURER A: Great Northern Insurance Company (A**) INSURER B: Federal Insurance Company (A**) INSURER C: INSURER D: INSURER E: INSURER F:		
<b>INSURED</b> Cherry Bekaert Advisory LLC; Cherry Bekaert LLP Cherry Bekaert International, Inc. Attn: Pam White PO Box 27327 Richmond VA 23261-7327		CHERRY		NAIC # 20203 20281		
<b>COVERAGES</b>		<b>CERTIFICATE NUMBER:</b> 918564824		<b>REVISION NUMBER:</b>		
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.						
TYPE OF INSURANCE	ADD. BY	POLICY NUMBER	START DATE (MM/DD/YYYY)	END DATE (MM/DD/YYYY)	LIMITS	
A <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GENL. AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PER. <input checked="" type="checkbox"/> LOC <input type="checkbox"/> OTHER		3589-47-87 RIC	10/1/2022	10/1/2023	EACH OCCURRENCE EXCESS TO RETIRED PREMIER (EA occurrence)	\$ 1,000,000 \$ 1,000,000 \$ 10,000 \$ 1,000,000 \$ 2,000,000 \$ \$
B AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY		7356-41-52	10/1/2022	10/1/2023	COMBINED SINGLE LIMIT (EA accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	\$ 1,000,000 \$ \$ \$
A <input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB <input checked="" type="checkbox"/> RETENTION \$ 0		7983-29-98	10/1/2022	10/1/2023	EACH OCCURRENCE AGGREGATE	\$ 10,000,000 \$ \$
B EMPLOYERS COMPENSATION AND EMPLOYERS LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Mandatory in NJ If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	7171-66-16	10/1/2022	10/1/2023	E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	\$ 1,000,000 \$ 1,000,000 \$ 1,000,000
DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required) General Liability: Products and Completed Operations Subject to the General Aggregate Limit of \$2,000,000						
<b>CERTIFICATE HOLDER</b>  Evidence of Insurance			<b>CANCELLATION</b> SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE 			
ACORD 25 (2016/03) The ACORD name and logo are registered marks of ACORD © 1988-2015 ACORD CORPORATION. All rights reserved.						



<b>ACORD</b>		<b>CERTIFICATE OF LIABILITY INSURANCE</b>		DATE (MM/DD/YYYY) 11/01/2022			
<p>THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.</p> <p>IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).</p>							
<b>PRODUCER</b> Edgewood Partners Insurance Center Lemme, a division of EPIC 111 West Campbell 4th Floor Arlington Heights, IL 60005		<b>CONTACT</b> NAME: Cathy Kuehl PHONE (Area No.): 847-385-6800 FAX: EMAIL: PROCert@lemme.com ADDRESS: PROCert@lemme.com		INSURER(S) AFFORDING COVERAGE INSURER A: Arch Insurance (UK) Limited and Various INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:			
<b>INSURED</b> Cherry Bekaert Advisory LLC Cherry Bekaert LLP 3800 Glenwood Avenue Raleigh, NC 27612		<b>CERTIFICATE NUMBER:</b> 67074212 <b>REVISION NUMBER:</b>					
<p>THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.</p>							
NAI LIC	TYPE OF INSURANCE	ADDL SUBR NO	RYG	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR GENL AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PERIOD <input type="checkbox"/> LOC <input type="checkbox"/> OTHER						EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (EA occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ COMBINED SINGLE LIMIT \$ SA INJURY \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> THIRD AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY						BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED: <input type="checkbox"/> RETENTION:						EACH OCCURRENCE \$ AGGREGATE \$
	WORKERS COMPENSATION AND EMPLOYERS LIABILITY APPROPRIATE TO SUPPLEMENT EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		Y/N	N/A			PER STATUTE <input type="checkbox"/> OTHER <input type="checkbox"/> E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	Professional Liability			B0146LDOSA2205150	10/30/22	10/30/23	Each Claim 3,000,000 Aggregate 3,000,000
DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)							
<b>CERTIFICATE HOLDER</b>				<b>CANCELLATION</b>			
Parties at Interest				SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE 			

**Attachment F - Certification of Financial Conditions**

**ATTACHMENT F: CERTIFICATION OF FINANCIAL CONDITION**

Name of Respondent: Cherry Bekaert LLP

The undersigned hereby certifies that: [check all applicable boxes]

The Respondent is in sound financial condition and, if applicable, has received an unqualified audit opinion for the latest audit of its financial statements.

Date of latest audit: N/A

The Respondent has no outstanding liabilities, including tax and judgment liens, to the Internal Revenue Service or any other government entity.

The Respondent is current in all amounts due for payments of federal and state taxes and required employment- related contributions and withholdings.

The Respondent is not the subject of any current litigation or findings of noncompliance under federal or state law.

\* The Respondent has not been the subject of any past or current litigation, findings in any past litigation, or findings of noncompliance under federal or state law that may impact in any way its ability to fulfill the requirements of this Contract.

He or she is authorized to make the foregoing statements on behalf of the Respondent.

**Note:** This shall constitute a continuing certification and Respondent shall notify the Contract Lead within 15 days of any material change to any of the representations made herein.

**If any one or more of the foregoing boxes is NOT checked, Respondent shall explain the reason in the space below:**

\* As a large professional services firm, Cherry Bekaert is subject to occasional disagreements that can result in litigation. However, the Firm has been subject to relatively few such incidents. We currently have no litigation pending that will adversely affect our ability to serve Centralina.

*Daniel Gougherty*

March 14, 2023

Signature  
Daniel Gougherty

Date  
Director

Printed Name

Title

**[This Certification must be signed by an individual authorized to speak for the Respondent]**

## Appendix A. Team Biographies



### **Daniel T. Gougherty, CPA**

Director, Cherry Bekaert LLP

Director, Cherry Bekaert Advisory LLC

#### **Assurance Services**

NC-39339, FL-AC41905

Dan has over 16 years of public accounting experience, including 13 years of audit services for state and local governments. As a member of the Firm's Government Services and Not-for-Profit industry groups, Dan employs his expertise to assist local governments, not-for-profits and educational institutions with financial and compliance audits, including Uniform Grant Guidance. He has served some of the largest counties, municipalities, foundations, airports and special purpose governments in the states of North Carolina and Florida.

As an Audit Director, Dan ensures the overall quality of an audit engagement. He advises clients in all phases of financial reporting. He oversees engagement planning and performance of audit tests. Clients have sought Dan's knowledge in documenting, evaluating and identifying areas of improvement in internal controls and processes, and implementation of new Governmental Accounting Standard Board ("GASB") standards.

Dan has spoken at a number of internal and external conferences, including events for the North Carolina Association of Certified Public Accountants.

Dan has more than 40 hours each year of relevant continuing education, including the continuing education required by Government Auditing Standards (24 hours of government accounting and auditing credits).

Dan is licensed to practice as a Certified Public Accountant in North Carolina and Florida and is a member of the American Institute of Certified Public Accountants (AICPA) and North Carolina Government Finance Officers Association (NCGFOA).

#### **Education**

B.S. in Accounting, University of Central Florida

#### **Relevant Experience**

- ▶ Centralina Regional Council
- ▶ Piedmont Triad Regional Council
- ▶ Mecklenburg County, North Carolina
- ▶ Orange County, Florida
- ▶ City of Charlotte, North Carolina
- ▶ City of Greensboro, North Carolina
- ▶ City of High Point, North Carolina
- ▶ City of Reidsville, North Carolina
- ▶ City of Winston-Salem, North Carolina

#### **Professional Involvement**

- ▶ American Institute of Certified Public Accountants
- ▶ North Carolina Association of Certified Public Accountants



**April Adams, CPA**

**Partner, Cherry Bekaert LLP**

**Partner, Cherry Bekaert Advisory LLC**

**Assurance Services**

**NC-29712**

An Assurance Partner in Cherry Bekaert’s Raleigh office, April has provided attestation services to governmental and not-for-profit clients since 2001. April uses her expertise to assist local governments with financial and compliance audits (including Uniform Grant Guidance). She has served governments of all sizes, ranging from the smallest to largest towns, counties and authorities in the state of North Carolina.

She is a member of Cherry Bekaert’s Government Services Group, North Carolina Association of Certified Public Accountants (NCACPA), North Carolina Government Finance Officers Associations (NCGFOA), Government Finance Officers Association (GFOA) and American Institute of Certified Public Accountants (AICPA). April is also the former Chair of the NCACPA Governmental Accounting and Auditing Committee.

**Education**

B.S. in Accounting, North Carolina State University

Master of Accounting, North Carolina State University

**Relevant Experience**

- ▶ Triangle J Council of Governments
- ▶ Piedmont Triad Regional Council
- ▶ Randolph County, NC
- ▶ Guilford County, NC

- ▶ Orange County, NC
- ▶ Durham County, NC
- ▶ Mecklenburg County, NC
- ▶ New Hanover County, NC
- ▶ Greene County, NC
- ▶ Tyrrell County, NC
- ▶ Cumberland County, NC
- ▶ Cape Fear Public Utility Authority
- ▶ New Hanover County Airport Authority
- ▶ City of Raleigh, NC
- ▶ City of Durham, NC
- ▶ City of Greenville, NC

**Professional Involvement**

- ▶ American Institute of Certified Public Accountants (“AICPA”)
- ▶ North Carolina Association of Certified Public Accountants (“NCACPA”)
- ▶ Governmental Accounting and Auditing Committee, NCACPA
- ▶ Greater Raleigh Chamber of Commerce Leadership Raleigh Class 26

**Elizabeth Welch, CPA****Senior Manager, Cherry Bekaert Advisory LLC****Audit Services**

A Certified Public Accountant, Elizabeth has nine years of accounting and auditing experience with not-for-profit organizations and educational entities. She also has experience with federal and state compliance audits, as well as single audits of federal and state grantees. Elizabeth has performed all phases of financial audits, including engagement planning, performance of audit testing, supervision of other staff and report writing.

Prior to joining Cherry Bekaert, Elizabeth served as an audit associate for a Big Four firm working primarily on an audit engagement for an internationally known non-profit organization.

**Education**

B.A. in Accounting & Music, Furman University

Master of Accountancy, Wake Forest University

**Relevant Experience**

- ▶ Piedmont Triad Regional Council
- ▶ Catawba Valley Community College
- ▶ Central Piedmont Community College
- ▶ College of Charleston
- ▶ Foundation For The Carolinas
- ▶ Gaston College
- ▶ Goodwill Industries of the Southern Piedmont
- ▶ Holy Angels
- ▶ Mint Museum of Art
- ▶ The Citadel, The Military College of South Carolina

**Professional & Civic Involvement**

- ▶ American Institute of Certified Public Accountants
- ▶ North Carolina Association of Certified Public Accountants



## A PROPOSAL FOR **Centralina Regional Council**

## Section 1

### ATTACHMENT A: REQUEST FOR PROPOSAL CHECKLIST

**Centralina Regional Council  
Audit Services  
RFP Response Checklist**

**RESPONDENT NAME:** FORVIS, LLP

SECTION	CHECKLIST	CHECK BOX	(Centralina USE ONLY)
<b>1</b>	<b>RFP CHECKLIST</b> (Attachment A)	X	
<b>2</b>	<b>RFP Cover Letter</b>	X	
<b>3</b>	<b>Firm Qualifications, Experience and References</b>	X	
	o Peer review report	X	
	o Attachment B- References	X	
<b>4</b>	<b>Audit Approach</b>	X	
<b>5</b>	<b>Proposed Pricing</b>	X	
	o Attachment C - Pricing Proposal Summary	X	
	o Detailed price proposal (no specific format required)	X	
<b>6</b>	<b>Appendices &amp; Administrative Information (Does Not Count to Page Limitation)</b>	X	
	o Attachment D – Location of Workers Utilized by Respondent	X	
	o Attachment E - Proof of Liability and its Limits	X	
	o Attachment F - Certification of Financial Condition	X	

**SUBMIT**

Respondents shall deliver one **(1) signed, original proposal in hard copy and one (1) digital format** such as Adobe Acrobat PDF

# FORVIS

4350 Congress Street, Suite 900 / Charlotte, NC 28209  
P 704.367.7020 / F 704.367.7760

[forvis.com](http://forvis.com)

March 24, 2023

Section 2

Ms. Denise Strosser  
Financial Director  
Centralina Regional Council  
10735 David Taylor Drive | Suite 250  
Charlotte, NC 28262

Dear Ms. Strosser:

Centralina Regional Council (Centralina) is no stranger to the complex challenges that come with advancing the nine-county region comprising the greater Charlotte area. Assisting local governments in planning for common needs, cooperating for mutual benefit, and coordinating for sound regional development for one of the largest metropolitan areas in North Carolina are just a few of the issues Centralina has to address as you work to assist your local government members. Navigating this environment can be difficult without a collaborative professional services firm with extensive public sector experience and national and regional resources to provide helpful guidance and innovative tools you require. **FORVIS** is here to help.

We understand Centralina's request for audit services in accordance with *Government Auditing Standards*, Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance), and the State Single Audit Implementation Act for the years ending June 30, 2023, 2024, and 2025.

Our goal of providing Unmatched **Client Experiences™** is at the core of everything we do, and overall, we're proud of the results we've received. In fact, FORVIS' most recent Net Promoter Score® was 84. According to Fred Reichheld, the creator of the Net Promoter System®, scores above 70 are regarded as world class, and we intend to bring the same level of commitment and dedication to serving Centralina and stand ready to proceed according to your timeline.

FORVIS, a new firm combining two established track records of focused accounting and advisory experience, can provide Centralina with the industry-specific insight and knowledge you deserve. At FORVIS, we have a client-centered service approach and commitment to industry specialization. Our professionals choose the industry they work in and have a passion for it. Your proposed engagement team has experience serving public sector entities, many of which are comparable in size to Centralina, so you can be confident we understand the complexities of the public sector and stay apprised of industry trends to better serve Centralina.

We believe our proposal will help you select our firm for efficient and objective services delivered by experienced professionals. Greg Miller will be Centralina's primary contact, as well as the person responsible for this response and who will receive correspondence regarding this RFP. If you have questions about this proposal, you may reach me him by phone or email as provided below, and his business address and fax number are One James Center, 901 East Cary Street, Suite 1000, Richmond, VA 23219 and 804.282.1461, respectively.

Respectfully Presented,



Gregory S. Miller, CPA  
Director  
804.282.1461  
[greg.miller@forvis.com](mailto:greg.miller@forvis.com)



Gary M. Greer, CPA  
Partner  
704.367.5884  
[gary.greer@forvis.com](mailto:gary.greer@forvis.com)





# Table of Contents

RFP Checklist

Cover Letter

**RFP Response**

Firm Qualifications, Experience, & References 1

Audit Approach 8

Proposed Pricing 16

**Appendix Administrative Information**

Attachment D: Location of Workers Utilized by Respondent 20

Attachment E: Certification of Insurance 21

Attachment F: Certification of Financial Condition 22

**Additional Material**

Thinking of Your Future 23

The DNA of FORVIS 24

About FORVIS 26

Our acceptance of the RFP represents our acceptance of the terms and conditions of the RFP. We understand that the RFP is subject to change without notice and that we are not bound by any oral or written agreement, including the RFP, that is not approved by the RFP Administrator. We warrant that the information provided in this RFP response is true and accurate to the best of our knowledge.

# RFP Response

For Centralina Regional Council's (Centralina) convenience, **FORVIS** has structured our proposal according to the requirements in your RFP. We believe our proposal will demonstrate our qualifications to provide Centralina's requested Financial Statement Audit in Accordance with *Government Auditing Standards*, Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance), and the State Single Audit Implementation Act.

INFORMATION CONTAINED IN FORVIS' RFP RESPONSE, WHICH IT ASSERTS AS CONFIDENTIAL, IS EITHER BUSINESS AND/OR PROPRIETARY TRADE SECRET INFORMATION NOT SUBJECT TO DISCLOSURE AS SET FORTH IN THE STATE OF NORTH CAROLINA PUBLIC RECORDS LAW. SUCH CONFIDENTIAL INFORMATION HAS INDEPENDENT ECONOMIC VALUE TO FORVIS, IS NOT REASONABLY ASCERTAINABLE BY THIRD PARTIES AND IS THE SUBJECT OF REASONABLE EFFORTS BY FORVIS TO MAINTAIN ITS SECRECY AND/OR CONFIDENTIALITY. PER RFP REQUIREMENTS, PAGES CONTAINING SUCH INFORMATION IN THIS PROPOSAL SHALL BE DESIGNATED WITH THE WORD "CONFIDENTIAL" AT THE TOP AND BOTTOM, AND SPECIFIC INFORMATION SHALL BE FURTHER DESIGNATED BY UNDERLINING.

## Firm Qualifications, Experience, & References

## Section 3

**In this section, Respondent shall provide firm and staff qualifications and demonstrate the firm's prior experience in audit engagements conducted in accordance with Government Auditing Standards and Generally Accepted Accounting Principles.**

Centralina strives to meet the needs of a nine-county region of our state amid various challenges. Keeping up with regulatory change, properly implementing GASB pronouncements, identifying ways to better serve the public, and demonstrating transparency and accountability are all important. With so many different items needing attention, having knowledgeable advisors by your side to provide guidance and high-quality service can help provide Centralina the confidence you need to respond to issues. FORVIS works with hundreds of public sector entities across the country which means our advisors have the experience needed to assist Centralina as you navigate your operating environment, demonstrate sound fiscal stewardship, and plan for what's ahead.

### The FORVIS Value

Centralina's choice of an advisor is important. Beyond completing your requested services on time, our goal is to provide the Centralina with the technical knowledge and industry intelligence you expect from an experienced team that is focused on your needs both today and tomorrow. While FORVIS is a new name in the marketplace, we bring an established history of performance helping similar clients see improvements to operations, processes, and financial outcomes. With a fresh perspective from FORVIS, Centralina can be confident you are connected to the tools and services you need to thrive and receiving significant value through year-round thought leadership, best practice recommendations, and proactive ideas.

In addition, as evidenced by our recognition in the **INSIDE Public Accounting 2022 IPA Best of the Best** list, FORVIS offers value through a strong, reputable network of support and resources. Our national coverage benefits our clients, our people, and the market of the future as we focus on our commitment to deliver **Unmatched Client Experiences™**.



### Commitment to Serving the Public Sector

FORVIS is committed to working with and understanding each market we operate in. We do this through regular involvement in professional memberships where our professionals not only make connections but share the information they have learned over a lifetime of investing in professional development.

As part of our commitment to remaining at the forefront of the public sector, leaders across our national governmental practice created the Public Sector Center of Excellence. This group of professionals meet regularly to discuss important developments, legislative updates, and challenges affecting governmental entities similar to Centralina.

Furthermore, FORVIS invests heavily in the public sector industry. Our professionals dedicate themselves to lifelong learning through our professional memberships and involvement. Our commitment to the public sector is evidenced in the following roles within key organizations serving the industry:

- American Institute of Certified Public Accountants (AICPA) Governmental Audit Quality Center, as a member
  - Chris Telli CPA, AICPA State and Local Government Expert Panel (Beginning May of 2023)
  - Richard Cole CPA, AICPA Not-For-Profit Entities Expert Panel (Beginning May of 2023)
  - Lindsey Oakley CPA, Chair of the Government Audit Quality Executive Committee (Beginning May of 2023)
- Government Finance Officers Association (GFOA)
  - Amy Shreck CPA, GFOA's Committee on Accounting, Auditing, and Financial Reporting
  - Kevin Kemp CPA, Special Review Executive Committee
- Governmental Accounting Standards Board (GASB)
  - Becca Kiser CPA, GASB Practice Fellow



We look forward to communicating best practices and forward-looking strategies to help Centralina thoughtfully consider the areas important to fulfilling your fiduciary responsibilities.

## The FORVIS Difference

Being a top 10 public accounting firm matters, but what sets us apart is our commitment to client service and a forward-thinking mindset focused on innovation. We prioritize investing in new technologies to help clients navigate public sector developments, and we foster a dynamic culture of leadership and professional development. This means Centralina can work with an industry-focused team driven by our forward vision to help you succeed today while helping Centralina prepare for the future.

Here's what sets us apart:

- According to data compiled by the Office of Management and Budget (OMB) via the Federal Audit Clearinghouse, FORVIS is the third-largest provider of Single Audits among CPA firms, performing approximately 800 annually. This experience, as well as our work with similar councils, allows our engagement teams to identify potential compliance findings, as well as advise our clients in establishing best practices.
- We can provide a fresh perspective and up-to-date industry guidance, backed by the resources of a national firm and local support for an Unmatched Client Experience, as reflected in our most recent score of 84 by Net Promoter Score®, a market research metric to measure customer experience.
- FORVIS proudly encourages and promotes diversity and an inclusive workplace. With innovative strategies for recruiting, as well as an ongoing focus on the development and implementation of internal inclusion programs, we are committed to identifying opportunities that help each individual to thrive.
- With the current pace of accounting pronouncements and regulatory changes and the expectation that Centralina is prepared for what comes next, our experienced public sector advisors are ready to offer the insights to guide you through both current and proposed GASB statements and legislative items.
- With a forward vision that drives our Unmatched Client Experiences, FORVIS is driven by a commitment to anticipate what's ahead so that our clients are ready to thrive when it arrives.

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**Representative Clients**

FORVIS' Public Sector Practice has approximately 270 professionals devoted to serving the approximately 650 public sector entities we work with annually. Consistent with some contract terms and conditions, disclosing client names is confidential information. Additionally, we are prohibited from sharing client names under the ethical rules to which we are subject without receiving prior consent from those clients. FORVIS is proud to work with a variety of governmental units ranging from special-purpose governments (authorities, boards, and commissions) to general-purpose governments (cities, counties, and towns). Below is a representative sample of our clients:

North Carolina Government Experience		
<ul style="list-style-type: none"> <li>▪ <u>Bald Head Island Transportation Authority</u></li> <li>▪ <u>Beaufort County Schools</u></li> <li>▪ <u>Balden County Schools</u></li> <li>▪ <u>Brunswick County Schools</u></li> <li>▪ <u>City of Danville</u></li> <li>▪ <u>City of Winston-Salem</u></li> <li>▪ <u>City of Mount Airy</u></li> <li>▪ <u>Carrboro Tourism Development Authority</u></li> <li>▪ <u>Charlotte – Mecklenburg Schools</u></li> <li>▪ <u>Elkin City Schools</u></li> </ul>	<ul style="list-style-type: none"> <li>▪ <u>Franklin County Schools</u></li> <li>▪ <u>Guilford County Schools</u></li> <li>▪ <u>Harnett County Schools</u></li> <li>▪ <u>Moore County</u></li> <li>▪ <u>Moore County Schools</u></li> <li>▪ <u>Mount Airy City Schools</u></li> <li>▪ <u>New Hanover County Schools</u></li> <li>▪ <u>Piedmont Authority for Regional Transportation</u></li> <li>▪ <u>Sanford ABC Board</u></li> <li>▪ <u>Stokes County Schools</u></li> <li>▪ <u>Town of Aberdeen</u></li> <li>▪ <u>Town of Biscoe</u></li> </ul>	<ul style="list-style-type: none"> <li>▪ <u>Town of Carrboro</u></li> <li>▪ <u>Town of Dobbins Heights</u></li> <li>▪ <u>Town of Hillsborough</u></li> <li>▪ <u>Town of Jamestown</u></li> <li>▪ <u>Town of Kernersville</u></li> <li>▪ <u>Town of Oak Ridge</u></li> <li>▪ <u>Town of Siler City</u></li> <li>▪ <u>Town of Southern Pines</u></li> <li>▪ <u>Vance County Schools</u></li> <li>▪ <u>Village of Pinehurst</u></li> <li>▪ <u>Wake County Schools</u></li> <li>▪ <u>Winston-Salem/Forsyth County Schools</u></li> </ul>

Cities, Counties, & Towns		
<ul style="list-style-type: none"> <li>▪ <u>City &amp; County of Denver, CO</u></li> <li>▪ <u>City of Arvada, CO</u></li> <li>▪ <u>City of Aurora, CO</u></li> <li>▪ <u>City of Balch Springs, TX</u></li> <li>▪ <u>City of Bellevue, NE</u></li> <li>▪ <u>City of Bentonville, AR</u></li> <li>▪ <u>City of Bloomington, MN</u></li> <li>▪ <u>City of Brookings, SD</u></li> <li>▪ <u>City of Colorado Springs, CO</u></li> <li>▪ <u>City of Conway, AR</u></li> <li>▪ <u>City of Fishers, IN</u></li> <li>▪ <u>City of Fort Smith, AR</u></li> <li>▪ <u>City of Fort Wayne, IN</u></li> </ul>	<ul style="list-style-type: none"> <li>▪ <u>City of Greenville, TX</u></li> <li>▪ <u>Kansas City, MO</u></li> <li>▪ <u>City of Kerrville, TX</u></li> <li>▪ <u>City of Lancaster, TX</u></li> <li>▪ <u>City of Lawton, OK</u></li> <li>▪ <u>City of Liberty, MO</u></li> <li>▪ <u>City of Lincoln, NE</u></li> <li>▪ <u>City of Little Rock, AR</u></li> <li>▪ <u>City of Lubbock, TX</u></li> <li>▪ <u>City of McKinney, TX</u></li> <li>▪ <u>City of Mesquite, TX</u></li> <li>▪ <u>City of Nebraska City, NE</u></li> <li>▪ <u>City of Norman, OK</u></li> <li>▪ <u>City of Phoenix, AZ</u></li> </ul>	<ul style="list-style-type: none"> <li>▪ <u>City of Ralston, NE</u></li> <li>▪ <u>City of Roanoke, TX</u></li> <li>▪ <u>City of Springdale, AR</u></li> <li>▪ <u>City of Texarkana, AR</u></li> <li>▪ <u>City of Westminster, CO</u></li> <li>▪ <u>Consolidated City of Indianapolis – Marion County, IN</u></li> <li>▪ <u>Hinds County Board of Supervisors, MS</u></li> <li>▪ <u>Jackson County, MO</u></li> <li>▪ <u>Sedgwick County, KS</u></li> <li>▪ <u>Town of Addison, TX</u></li> <li>▪ <u>Town of Highland Park, TX</u></li> </ul>

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## Agencies, Authorities, Boards, Commissions & Departments

- |   |  |  |
|---|--|--|
| <ul style="list-style-type: none"> <li>▪ <u>Alamo Area Council of Government</u></li> <li>▪ <u>Bill and Hillary Clinton National Airport</u></li> <li>▪ <u>Brookings Regional Airport</u></li> <li>▪ <u>Capital Improvement Board of Managers of Marion County</u></li> <li>▪ <u>Centennial Airport</u></li> <li>▪ <u>Cherokee Nation and Cherokee Nation Entertainment</u></li> <li>▪ <u>Choctaw Nation Housing Authority</u></li> <li>▪ <u>Choctaw Nation of Oklahoma</u></li> <li>▪ <u>Colorado Water Resources Development &amp; Power Authority</u></li> <li>▪ <u>Denver International Airport</u></li> <li>▪ <u>Denver Urban Renewal Authority</u></li> <li>▪ <u>Fayetteville Public Library</u></li> <li>▪ <u>El Paso International Airport</u></li> <li>▪ <u>Erie International Airport</u></li> <li>▪ <u>Fort Smith Regional Airport</u></li> <li>▪ <u>Fort Wayne International Airport</u></li> </ul> | <ul style="list-style-type: none"> <li>▪ <u>Houston-Galveston Area Council</u></li> <li>▪ <u>Greenville-Spartanburg International Airport</u></li> <li>▪ <u>Harrisburg International Airport</u></li> <li>▪ <u>Health &amp; Hospital Corporation of Marion County</u></li> <li>▪ <u>Hillsborough Tourism Board</u></li> <li>▪ <u>Hillsborough Tourism Development Authority</u></li> <li>▪ <u>Indiana Auditor of State</u></li> <li>▪ <u>Indiana Economic Development Corporation</u></li> <li>▪ <u>Indiana Education Savings Authority and Upromise Investments, Inc.</u></li> <li>▪ <u>Indiana Housing &amp; Community Development Corporation</u></li> <li>▪ <u>Indianapolis Airport Authority</u></li> <li>▪ <u>Kansas City International Airport</u></li> <li>▪ <u>Lincoln Airport</u></li> <li>▪ <u>Midland International Airport</u></li> </ul> | <ul style="list-style-type: none"> <li>▪ <u>Minneapolis/St. Paul Metropolitan Airports Commission</u></li> <li>▪ <u>Mississippi Department of Corrections</u></li> <li>▪ <u>Missouri Department of Transportation</u></li> <li>▪ <u>Moore County Airport</u></li> <li>▪ <u>Municipal Energy Agency of Mississippi</u></li> <li>▪ <u>Orlando Sanford International Airport</u></li> <li>▪ <u>Phoenix Sky Harbor International Airport</u></li> <li>▪ <u>Pikes Peak Library District</u></li> <li>▪ <u>San Diego International Airport</u></li> <li>▪ <u>Sandhills Mental Health Center</u></li> <li>▪ <u>Sanford Lee County Airport</u></li> <li>▪ <u>Springdale Municipal Airport</u></li> <li>▪ <u>State Universities Retirement System of Illinois</u></li> <li>▪ <u>Teachers' Retirement System of the State of Illinois</u></li> </ul> |
|---|--|--|

**Please complete and submit within this section:  
Provide copy of most recent peer review report;**

FORVIS is committed to providing quality audit services to our clients, and we submit our work to external reviewers who challenge our approach and findings. The AICPA's peer review program assists us in confirming our process works and identifying potential areas for improvement that could enhance our audit quality.

Our legacy firms, BKD, LLP and Dixon Hughes Goodman LLP, regularly participated in these reviews once every three years as required by the AICPA. As the predecessor entity for peer review purposes, a copy of BKD's most recent AICPA peer review report, with the rating of "Pass"—the best rating available under current peer review standards—is contained in the Appendix.

This peer review included inspection of BKD's engagements performed under *Government Auditing Standards*, and an inspection of BKD's Single Audit engagements.

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# AICPA Peer Review Letter



National Peer  
Review Committee

December 11, 2020

Theodore Dickman  
BKD, LLP  
910 E Saint Louis ST Ste 400  
Springfield, MO 65806-2570

Dear Theodore Dickman:

It is my pleasure to notify you that on December 11, 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 November 30, 2023. 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,

A handwritten signature in black ink that reads "Michael Fawley".

Michael Fawley  
Chair, National PRC  
+1.919.402.4502

cc: Candace Wright, L Bennett

Firm Number: 900010002800

Review Number: 577534

220 Leigh Farm Road, Durham, NC 27707-8110  
T: +1.919.402.4502 F: +1.919.419.4713  
aicpaglobal.com | cimaglobal.com | aicpa.org | cima.org

# BKD Peer Review Report



8550 United Plaza Blvd., Ste. 1001 – Baton Rouge, LA 70809  
225-922-4600 Phone – 225-922-4611 Fax – [pncpa.com](http://pncpa.com)

Postlethwaite & Netterville and Associates, L.L.C.

## Report on the Firm's System of Quality Control

To the Partners of BKD, LLP  
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of BKD, LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2020. 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](http://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, audits performed under FDICIA, an audit of a broker-dealer, and examinations of service organizations [SOC 1 and SOC 2 engagements].

As part of our peer review, we considered reviews by regulatory entities as communicated to 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 BKD, LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2020, 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*. BKD, LLP has received a peer review rating of *pass*.

*Postlethwaite & Netterville*

Baton Rouge, Louisiana  
November 2, 2020

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**Attachment B –References Sheet (Note: Respondent may recreate Attachment A so long as the content is consistent.**

**References**

We have a track record of helping similar public sector entities and understand our clients are our best ambassadors. Listening to us helps, but hearing directly from your peers can be a meaningful step in your decision-making process. We encourage you to reach out to the following clients to discuss FORVIS' services and capabilities at your convenience.

**Alamo Area Council of Governments**  
Type of Service / Scope of Work: Financial and Compliance Audits in accordance with Government Auditing Standards and the Uniform Guidance  
Performance Dates: 2020 – present  
Ms. Diane Rath  
210.362.5201  
drath@aacog.com

**Charlotte – Mecklenburg Schools**  
Type of Service / Scope of Work: Financial and Compliance Audits in accordance with Government Auditing Standards and the Uniform Guidance  
Performance Dates: 2012 – present  
Mrs. Sheila Shirley  
980.343.6272  
sheila.shirley@cms.k12.nc.us

**Houston-Galveston Area Council**  
Type of Service / Scope of Work: Financial and Compliance Audits in accordance with Government Auditing Standards and the Uniform Guidance  
Performance Dates: 2019 – present  
Ms. Nancy Haussler  
713.993.4510  
nancy.haussler@h-gac.com

**City of Newport News, Virginia<sup>1</sup>**  
Type of Service / Scope of Work: Financial and Compliance Audits in accordance with Government Auditing Standards and the Uniform Guidance  
Performance Dates: 2008 – 2021  
Mrs. Susan Goodwin  
757.926.8825  
goodwinsm@nnva.gov

*<sup>1</sup>The City of Newport News, Virginia is a reference specifically for Greg Miller as the proposed engagement executive for Centralina. The City of Newport News, Virginia is not served by FORVIS and therefore is not a reference for FORVIS.*

**Commitment to Client Satisfaction**

Similar to any service provider, we would like to believe our clients are happy with our work and recommend us to their peers. However, our goal to provide an Unmatched Client Experience is at the core of everything we do, and we know hoping we are creating an exceptional client experience isn't enough. To help us gain a clearer understanding of where clients think we are doing well—and, more importantly, where they would like us to make improvements—we launched the FORVIS Client Experience Survey™. For the past several years, we have routinely surveyed samples of clients to gather data on how they view our performance in areas such as acting with integrity, responding to questions promptly, and providing appropriate solutions to problems.

The perspectives our clients shared with us have been invaluable. Overall, we're proud of the feedback we've received—results indicated most clients are satisfied or very satisfied with their FORVIS engagement. In fact, one of the areas measured by this survey is how likely a client is to refer FORVIS, a metric referred to as the Net Promoter Score® (NPS®). In our most recent survey, our NPS was 84. According to Fred Reichheld, the creator of the Net Promoter System®, scores above 70 are regarded as world class. We look forward to learning more from our clients through future surveys to help us continually improve on our delivery of Unmatched Client Experience.



84% Net Promoter Score (NPS®) FORVIS' NPS®, a measure of the client experience, is significantly higher than the industry's average of 38% in 2022

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In this section, Respondent shall provide the firm's proposed strategy and technical approach to meet the Scope of Work requirements outlined in Section 5 below, including any procedures, methodologies, resources, systems, etc.

### Financial Statement Audit in Accordance with *Government Auditing Standards* & the Uniform Guidance

Auditing standards set the technical requirements for our process, culminating with the expression of our opinion on the presentation of your financial statements. Our audit will be performed in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

#### The FORVIS Audit Experience

While auditor selection should start with evaluating technical competence, it also should extend to your expectations for a service experience. Your audit experience includes how your engagement is managed, how you and your team are treated, the quality and timeliness of communication you receive, and your confidence in the results and guidance you receive. FORVIS' philosophy emphasizes independence, integrity, and quality, and we have a strong commitment to providing high quality service, through a knowledgeable engagement team.

#### Executing the Audit

Once we have established our overall process and communication plans with you, the detailed work can begin. Key elements of that work include:

##### Risk Assessment

We will identify and assess risks of material misstatement in your financial statements, including those from potential fraud. Our work is supported by building a strong understanding of your business environment through documents you provide and by gathering information through interviews and tests for significant transaction cycles.

##### Assessing IT Risks

For clients with complex systems, our risk assessment also includes a more focused evaluation of your IT systems. Organizations with greater IT risk often manage high-volume, automated transactions or otherwise rely heavily on how systems create and manage data that affects financial statement amounts and disclosures. In your environment, obtaining a strong understanding of your systems is important, and our feedback may help you evaluate your own risks. In addition to using our traditional auditors, we may engage professionals from our Risk Advisory practice to assist in that evaluation. These individuals can offer focused experience with specific systems or with overall IT matters such as logical security, change management, computer operations, and other areas where risk and fraud relevant to financial reporting can occur.

##### Audit Design

Based on risks identified, we will design an audit approach specific to your organization. This tailoring takes into consideration the uniqueness of your operations, the design of internal controls you have implemented, and the nature of financial statement amounts and disclosures. We consider whether matters are truly important (materiality), as well as obtain input about concerns from management and the board of delegates to design the tests we will perform.

##### Gathering Evidence

Once the plan is complete, we will execute the audit through a combination of on- and off-site work performed in accordance with the agreed-upon timeline.

## Reviewing the Work

Critical to our process is a review of the team's work by our engagement executive, as well as a quality review by another executive who is independent from the detailed work. The quality review is designed to improve our deliverable by providing a fresh perspective and reinforcing quality.

## Sharing Our Results

We base our audit opinion on the evidence gathered and then communicate our findings. Professional standards drive the content of our opinion and the required communication about any deficiencies and other items we may identify during the audit. Beyond these requirements, we share results formally through our letters and presentations to management and the board of delegates, as well as opportunities for improvement through conversations during the audit process.

## Compliance Audit in Accordance with the Uniform Guidance and the State Single Audit Implementation Act

As previously stated, according to data compiled by OMB via the Federal Audit Clearinghouse, FORVIS is the third-largest provider of Single Audits among CPA firms, performing more than 800 annually. We perform Single Audits focusing on two objectives: first, an audit of your financial statements and reporting on the Schedule of Expenditures of Federal and State Awards (SEFSA) in accordance with *Government Auditing Standards*, and second, a compliance audit for federal awards expended during the fiscal year in accordance with the Uniform Guidance and the State Single Audit Implementation Act.



#3

Provider of  
Single Audits

With many of our nonprofit and public sector clients receiving federal funding, we are familiar with the requirements for allowability of both direct and indirect costs, as well as the ability for the recipient to charge an administrative cost allowance under many federal programs. Our extensive experience with compliance testing in accordance with OMB requirements and the *Audit Manual for Governmental Auditors in North Carolina* can help provide Centralina with a Single Audit performed properly and submitted on time.

## Our Approach

During our audit procedures of federal award programs, we do not simply look for findings to report. We look for opportunities to advise you of more efficient ways to comply with federal regulations to reduce the risks of sanctions or reduced funding. FORVIS has developed contacts at federal agencies and has been able to work cooperatively with these agencies to help clients resolve or avoid issues.

To help streamline the Single Audit process, we use audit programs and checklists designed specifically for the federal programs we audit. Centralina will benefit from FORVIS' specially designed audit programs, checklists, and database of federal audit programs commonly found in governmental entities.

Identification and testing of your federal programs will be performed primarily during interim fieldwork, which will typically be performed before your fiscal year-end. We have found this to be the most efficient manner in which to perform our audit services when the additional Uniform Guidance requirements are present. Our extensive experience providing compliance testing in accordance with OMB requirements can help us properly perform and submit Centralina's Single Audit on time.

## Training Requirements for Single Auditors

Centralina can have confidence in FORVIS auditors' experience in testing federal funding subject to the Uniform Guidance. Our audit professionals are required to receive at least 120 hours of continuing professional education (CPE) every three years, and, for auditors involved with audits performed under *Government Auditing Standards*, this education includes the hours required to comply with *Government Auditing Standards Yellow Book* guidance. Staff members attend a series of core audit and accounting courses over the first four years of their careers. Staff subsequently receive additional training on accounting and auditing for the nonprofit and governmental environment.

## Broad Audit Risk Considerations

Some risk considerations apply across nearly all of our audits. We pay particular attention to the following items:

## Significant New Accounting Standards

Every organization must assess the applicability and effects of new accounting rules. Significant standards with upcoming or recent broad applicability include:

### Public-Private and Public-Public Partnerships and Availability Payment Arrangements

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* is effective for reporting periods beginning after June 15, 2022. GASB 94 supersedes Statement 60, *Accounting and Financial Reporting for Service Concession Arrangements (SCA)*. Provides recognition and measurement guidance for SCAs and other PPPs that do not meet the lease definition.

### Subscription-Based Information Technology Arrangements

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* is effective for reporting periods beginning after June 15, 2022. GASB 96 provides improvements to reduce diversity in current reporting, defining subscription-based information technology arrangements (SBITA) leveraging guidance in Statement 87, *Leases*.

## Significant Accounting Estimates

Nearly all financial statements have significant estimates in amounts and disclosures, even when not readily apparent. Estimates may include amounts ultimately collectible from third parties, expected losses or costs occurring at a specific amount and time, etc.

We will gather information supporting management's estimates and challenge key assumptions used to develop these amounts. We also will test estimates on available data and historical trends and document our conclusions on the reasonableness of recorded amounts.

## Risk of Management Override of Controls

When considering fraud, auditing standards require evaluating the risk that management could override existing controls. We will perform interviews of selected individuals, apply an element of unpredictability in our testing, and brainstorm as a team to evaluate risks and possible actions based on our observations. We also will perform journal entry testing, review estimates for bias and significant changes, and consider the business rationale for significant unusual transactions.

## Procedures & Risks Specific to the Public Sector

Audit procedures can vary, but they often include traditional observation, sampling and testing combined with more advanced deployment of technology for trend analysis, summarization of documents and assessment of large data sets.

Our work with hundreds of clients in the public sector means our advisors are very familiar with entities similar to Centralina. While no two audits are the same, certain activities are common to governmental entities. Specific risk areas for Centralina are likely to include:

## Accounts Receivable & Deferred Inflows of Resources & Unearned Revenue

These areas often are a significant risk due to the subjective nature of Centralina's estimate for the allowance for doubtful accounts and the proper recognition of revenue for funds that report using the modified accrual basis of accounting and the current financial resources measurement focus that is consistent with Centralina's policy. We will test the cutoff of various revenue sources, such as taxes, government grants and customer utility accounts, and review the revenue journal both before and after year end. We may confirm significant accounts receivable, as well as a sample of others to test both existence and proper classification, if considered necessary. In addition, we will test deferred inflows of resources by reviewing subsequent collections and perform various analytical procedures to test both completeness and proper classification of the balances, consistent with Centralina's policy of recognizing revenue on the modified accrual basis of accounting.

## Capital Assets

We will audit the capital asset rollforward activity of each opinion unit, focusing on significant additions and disposals during the year. Current-year additions will be tested to appropriate supporting documentation. A review of repair and maintenance

accounts will be performed to help identify whether material additions have been capitalized. New lease agreements will be reviewed to identify whether they have been accounted for properly. Depreciation expense also will be tested for reasonableness, and certain analytical procedures will be performed on the capital outlay line items for governmental funds associated with the conversion to government-wide reporting.

### **Net Position/Fund Balances**

Procedures we perform in this area include vouching (or cross-indexing to work performed in other areas) of significant increases and decreases to net position, recalculation of net investment in capital assets for enterprise funds and governmentwide activities, review of documentation supporting the establishment and classifications of new accounts and testing of various nonspendable, restricted, committed and assigned fund balance accounts based on supporting documentation of donor and grantor agreements, enabling legislation, formal actions of the board of delegates, such as ordinances and resolutions and other formal policies.

### **Revenue Recognition**

Professional standards include a rebuttable presumption that for each audit, there is a risk of material misstatement due to fraud relating to improper revenue recognition. Our approach is to gain an understanding of the revenue recognition criteria and policies and then perform a variety of inquiry, analytical and substantive audit procedures to confirm our understanding.

### **Uniform Guidance Testing**

We will discuss with management and review the preliminary SEFA as of an interim date to identify the likely major programs for testing. We will perform the majority of our testing prior to year-end and will share our results with you prior to final fieldwork. During final fieldwork, we will assess whether there are any additional major programs that would require testing and conclude our compliance and internal control procedures related to OMB's Uniform Guidance expenditures in agreement with the conclusion of the audit of the financial statements.

### **Pensions & Other Postemployment Benefit Obligations**

Due to the subjective nature of the estimation processes associated with determining the estimated Other Postemployment Benefit (OPEB) obligations liability, we will obtain and test the specific actuarial calculations for the OPEB liability. First, we will evaluate the professional qualifications and reputation of the actuary. We will read the actuarial reports to obtain an understanding of the methods and assumptions employed and evaluate the cost method used and the significant assumptions underlying the actuarial calculations. Select testing of the underlying data used in the calculation will be performed. We will evaluate the valuation, cost, and amortization methods for consistency. The other significant underlying assumptions such as discount rates, rates of return and medical cost trends will be compared with independent external studies of assumptions by such noted organizations as Milliman Medical Index, SEI Pension Accounting Research Series and the Towers Watson annual healthcare trend survey.

### **Financial Report Preparation Assistance**

#### **The Public Sector Reporting Solution – A Streamlined Process**

FORVIS is constantly on the lookout for innovative ways to apply technology to make tedious processes more efficient and effective for our clients. FORVIS is now a certified implementor of The Reporting Solution (TRS), a cloud-based tool that can help streamline the report preparation process, which could be a benefit for Centralina as you work to issue your financial statements. Through TRS, FORVIS and our clients can connect to a cloud-based online platform to prepare the report with print-ready financial statements and a word processor that links to a financial database.

In addition, changes can be made and updated in real time for all users to see, allowing the Auditor to assist with the preparation of the basic financial statements, supplementary information, and the schedule of expenditures of federal and state awards while management drafts the letter of transmittal, management discussion and analysis, and other schedules. This platform allows multiple users to work simultaneously within the financial statement document, thereby creating an efficient, prompt, and cost-effective preparation process.

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**Names and qualifications of individuals who will have responsibility for this project.**

**Team Biographies & Experience**

We take team selection seriously and have the appropriate team of advisors to meet your needs. Previous experience is a primary determinant for assigning professionals to your engagement, and we have assigned individuals who are experienced in working with public sector entities to your engagement.



**Gregory S. Miller Jr., CPA**  
Engagement Executive

804.425.2633  
greg.miller@forvis.com

**Engagement Role**

As engagement executive, Greg will be responsible for coordinating and overseeing the engagement.

**Overview**

Greg is the industry leader for the Nonprofit Practice, Higher Education Practice, and Public Sector Practice in FORVIS' Virginia market and is a member of FORVIS' Public Sector Center of Excellence. Joining FORVIS in 2022, Greg brings 15 years of public accounting experience from a national accounting firm. He focuses his practice on the delivery of accounting, auditing, and consulting services for public sector entities.

He has served various public sector entities ranging from special-purpose governments to multi-faceted local governments. He provides an array of accounting and assurance services to his clients including financial and compliance audits under *Government Auditing Standards* and the Uniform Guidance as well as providing advisory services ranging from the implementation of new GASB pronouncements to complying with CARES Act and ARPA funding requirements. He also leverages his participation as a Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting reviewer to assist entities in obtaining and maintaining their Certificate of Achievement.

Greg is a member of the AICPA and NCACPA where he serves on the Government Resource Group. He is also a member of the GFOA and an active participant in the NCGFOA and VGFOA, frequently speaking at those conferences on topics relevant to public sector financial reporting and compliance.

He is a graduate of The Citadel, Charleston, South Carolina, with a B.S. degree in business administration with a concentration in accounting.

**Relevant Experience**

- Charlotte - Mecklenburg Board of Education, NC
- Henrico County, VA
- Chesterfield County, VA
- Prince William County, VA
- City of Greenville, NC
- Arlington County Employee Retirement System
- City of Newport News, VA
- Fairfax County Employees' Retirement System
- City of Roanoke, VA
- Fairfax County Police Officers Retirement System
- Greenville Utility Commission
- Fairfax County Uniformed Retirement System
- Guilford County Board of Education, NC
- New Hanover County, NC
- Hanover County, VA
- New Hanover County Airport Authority

**CONFIDENTIAL**

FORVIS

Public Sector / 12

FORVIS is a trademark of FORVIS, LLP, registration of which is pending with the U.S. Patent and Trademark Office



Amanda E. Eaves, CPA  
Concurring Reviewer

713.499.4600  
amanda.eaves@forvis.com

**Engagement Responsibilities**

As concurring reviewer, Amanda will be responsible for reviewing audit documentation, including the significant accounting, auditing, financial reporting, and Single Audit matters.

**Experience**

Amanda serves as regional industry leader for FORVIS' Southwest region's nonprofit and public sector team. She has more than 25 years of experience providing audit, consulting, and accounting services to clients in a variety of industries. Her emphasis is on nonprofit and public sector organizations, including municipalities, state agencies, foundations, membership and service organizations. She has performed audits in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States and audits of organizations that receive federal and state funding and require audits in accordance with the OMB Compliance Supplement as well as agreed-upon procedures in accordance with grantor requirements.

She is a member of the AICPA, Texas Society of Certified Public Accountants, GFOA and GFOA of Texas. She is a member of the GFOA Special Review Committee and reviews submitted COA Programs for GFOA compliance and award. She received the AICPA's Advanced Single Audit Certificate, demonstrating proficiency in performing Single Audits at an advanced level as outlined in the **AICPA Competency Framework: Governmental Accounting**.

Amanda also serves on the board of the Greater Houston Women's Chamber of Commerce.

She is a 1994 graduate of Lamar University, Beaumont, Texas, with a B.B.A. degree in accounting.

**Relevant Experience**

- Alamo Area Council of Governments
- City of College Station, Texas
- City of Pearland, Texas
- City of San Antonio, Texas
- City of South Houston, Texas
- Houston Food Bank
- Houston-Galveston Area Council



**Stacy J. Moultrie, CPA**  
Audit Senior Manager

704.367.5971  
stacy.moultrie@forvis.com

**Engagement Responsibilities**

As the local audit manager, Stacy will be responsible for coordinating local resources on the engagement team and overseeing the project management of the engagement.

**Experience**

Stacy has more than 10 years of experience providing accounting and advisory services to clients in the nonprofit, higher education, and public sector industries. Her focus areas include external audits, control evaluation and compliance. She has extensive knowledge of financial matters working with compliance audits under *Government Auditing Standards* and the Uniform Guidance. She serves as a primary engagement team member for several clients for whom she provides consulting services, including account reconciliation, preparation of workpapers, trial balance reconciliation, and preparation of the SEFSA for the Single Audit.

Stacy is a member of the AICPAs and the NCACPA.

She is a graduate of Valdosta State University, Georgia, with a B.S. degree in accounting, and a graduate of Georgia Southern University, with an M.Acc. degree.

**Relevant Experience**

<ul style="list-style-type: none"> <li>▪ <u>Catawba Valley Medical Center</u></li> <li>▪ <u>Spartanburg Regional Medical Center</u></li> <li>▪ <u>Mississippi Gulf Coast Community College</u></li> <li>▪ <u>Sampson Regional Medical Center</u></li> <li>▪ <u>Hugh Chatham Memorial Hospital</u></li> <li>▪ <u>Hospice of Surry County, Inc. dba Mountain Valley Hospice and Palliative Care</u></li> </ul>	<ul style="list-style-type: none"> <li>▪ <u>Johnson C. Smith University</u></li> <li>▪ <u>Andreas H. Bechtler Arts Foundation</u></li> <li>▪ <u>Levine Museum of the New South, Inc.</u></li> <li>▪ <u>Anuvia Prevention and Recovery, Inc.</u></li> <li>▪ <u>Charlotte Sports Foundation Inc. and Subsidiaries</u></li> </ul>
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**In-Charge Audit Staff**

The in-charge accountant for the audit is subject to discussion between FORVIS and Centralina. FORVIS has many professionals serving clients in the nonprofit, governmental, and education industries, including audit services to governmental entities of the size and complexity of Centralina. We currently have six qualified in-charges who serve your industry year round. One of those individuals would be selected based on your preference, availability, and the timing of the work.

Audit in-charges will be responsible for directing the audit fieldwork, assigning audit tasks to staff, detail reviewing staff work products, and drafting audit deliverables.

**Staff Continuity**

While turnover in CPA firms is natural, Centralina should expect their engagement teams to remain relatively constant throughout the years. Continuity of staff assigned to engagements is one of FORVIS' primary goals. We continually work to attract, develop, and retain bright professionals. We achieve this through formal staff counseling, timely job performance evaluation, direct supervision, client feedback, service philosophy, and commitment to industry specialization.

## Additional Resources



**Gary M. Greer, CPA**  
Local Resource Partner

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Gary is the managing partner of assurance for the Mid-Atlantic Region. He also is responsible for assurance services of manufacturing, distribution, and service companies, SEC registrants, employee benefit plans, and broker-dealers. Gary has assisted clients in implementing complex accounting standards in areas such as stock options and purchase accounting. He is well versed in the disclosure requirements of public companies and has significant experience working with portfolio companies of private equity firms. He also has vast experience advising privately and closely held businesses in all aspects of assurance. Gary also has assisted entities in developing internal control and financial reporting best practices.

In the Charlotte office, he is responsible for audit services of nonprofit entities and foundations, manufacturing, distribution, and service companies, employee benefit plans, SEC registrants, and privately and closely held clients. His services include review of processes and internal controls, providing insights to gain efficiencies and to mitigate risk for nonprofit clients. He has a wide variety of experience with compliance issues and annual reporting requirements for nonprofit entities.

Gary is a member of the American Institute of CPAs (AICPA), North Carolina Association of Certified Public Accountants (NCACPA), Charlotte Chamber SouthPark Chapter Board, and AICPA Employee Benefit Plan Audit Quality Center Executive Committee. He is a founding member of the NCACPA Young CPA Cabinet.

He is a graduate of Appalachian State University, Boone, North Carolina, with a B.S. degree in business administration.



**Amy K. Shreck, CPA**  
Technical Resource Partner

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Amy has more than 14 years of experience working with nonprofits, governmental entities, public power entities, and higher education institutions.

She completed a two-year term as a practice fellow with GASB at GASB headquarters, where she helped to formulate standards and assisted with technical inquiries. Amy's experience at GASB allows her to help clients better understand GASB standards and the thought process behind the standards.

Amy is a member of the American Institute of CPAs and Nebraska Society of CPAs.

She is a graduate of Leadership Omaha Class 37. She previously served on the Goodwill Industries Serving Southeast Nebraska, Inc. board of directors and the University of Nebraska–Lincoln School of Accountancy Junior Advisory Board.

Amy is a graduate with highest distinction of University of Nebraska–Lincoln with a B.S. degree in business administration and an M.P.A. degree.



**Include timing and location of preliminary and year end work and deliverables.**

## A Smooth Transition

We understand the sensitivity around audit transition, but changing auditors does not have to be a complicated task. Our team has solid experience assisting clients in successfully completing audit transitions, and we do not anticipate additional fees associated with our transition audit procedures. We consider any additional time spent on our part during the first year to be an investment in our long-term professional relationship with Centralina.

Based on our experience from past transitions, we have developed an approach that places a great deal of emphasis on becoming familiar with Centralina’s team quickly, with little disruption to day-to-day operations. We plan to work with you to develop a tailored transition plan that meets your timing requirements and incorporates the areas you believe may warrant a fresh perspective. As a result, potential concerns can be identified and resolved efficiently.

Generally, our approach includes the following components:

- Meet with your key management team to further develop rapport and gather initial information about your business structure
- Become acquainted with your staff to address questions about the transition process to help them understand our approach
- Review the prior auditor’s workpapers to enhance our understanding of your specific accounting and auditing issues, as well as your operations, and leverage information previously provided to your auditors
- Schedule an early planning session with appropriate personnel to obtain their input in developing an efficient and tailored service approach
- Discuss the level of assistance your staff can provide, leveraging existing and readily available information
- Develop appropriate timetables for performing our services, reviewing, and approving our deliverables, and meeting with the management and delegates

Our objective is to limit disruptions to your staff and management while positioning our team to complete a thorough transition and a timely signoff on the first-year audit.

## Onboarding & Project Management

Your FORVIS audit experience starts as soon as you select us. Our priorities include building rapport with your team, developing a deeper understanding of your operations, and coordinating with you on the design and expectations of our service relationship. These efforts are part of our smooth transition approach. The proposal process has provided us with the basics of your organization, but learning more will help us serve you better.

If not already completed, we will finish the details of client acceptance to confirm what we have learned and verify confidential information not already obtained, such as litigation history or other sensitive matters.

### Proposed Timeline

AUDIT ACTIVITY	APR	MAY	JUNE	JUL	AUG	SEPT	OCT	NOV
Transition & Onboarding								
Audit Planning								
Interim Testing								
Single Audit testing								
Final Fieldwork								
Financial Reporting and Issuance								
Board of Delegates presentation								
<b>Consistent year-round communication</b>								

## Location of Fieldwork

During engagement planning, we will discuss with Centralina the desired approach for the audit (whether remote, in-person or a hybrid). While FORVIS has the capabilities to perform services completely remotely, we believe at least some level of in-person fieldwork is beneficial not only to our client but also our audit process. Whether in person or remote, we will focus on providing your organization with exceptional client service and heavy engagement executive involvement through each step of the process. We will connect with you on a regular, proactive schedule to fully understand your needs. We aim to be responsive, take action, and add value to you at every interaction.

## Proposed Pricing

## Section 5

**Respondents shall provide a detailed price proposal based on their approach to delivering the scope of services in this RFP. Centralina intends to continue the relationship with the auditor for no less than three years on the basis of annual negotiation after the completion of the first-year contract. Each year after negotiation has taken place an annual contract documenting the terms of the audit will be signed. Since one governing board may not obligate future governing boards, the remaining years of the agreement are subject to annual governing board approval. Centralina reserves the right to request proposals at any time following the first year of this contract. Thus, prepare proposals for the following years, with Year one being the only obligated year:**

**July 1, 2023 to June 30, 2024**

**July 1, 2024 to June 30, 2025**

**July 1, 2025 to June 30, 2026**

**Please complete and submit within this section:**

**Attachment C – Pricing Proposal Summary.**

**Detailed price proposal per the Respondent's desired format**

## Detailed Price Proposal

Our goal is to be candid, timely, answer your questions about fees upfront, and avoid fee surprises. We determine our fees by evaluating a number of variables: the complexity of the work, the project's scope, the time we will spend, and the level of professional staff needed. Our fees include travel costs and an administrative fee of 5%. This fee covers items such as copies, postage and other delivery charges, supplies, technology-related costs, such as computer processing, software licensing, research and library databases, and similar expense items.

Our fees may increase if our duties or responsibilities change because of new rules, regulations, and accounting or auditing standards. We will consult with you should this happen.

These fees do not include any time that may be required to address a restatement of previously audited financial statements. Accordingly, any such work will be billed based on our hourly rates.

For the Years Ending October 31	2023	2024 <sup>^</sup>	2025 <sup>^</sup>
Financial Statement Audit in Accordance with <i>Government Auditing Standards</i> & the Uniform Guidance	\$69,500	\$72,280	\$75,171
Financial Statement Preparation	\$5,500	\$5,720	\$5,949
<b>TOTAL</b>	<b>\$75,000</b>	<b>\$78,000</b>	<b>\$81,120</b>

<sup>^</sup>Future fee increases to be based on the U.S. Consumer Price Index (CPI) plus 2% with a minimum fee increase of 4%.

Your decision to select FORVIS will not rest on any single factor. Rather it is the combination of all the factors you have requested that we address in this proposal that we believe make us uniquely qualified to serve Centralina. If our fee estimate is significantly different from other estimates provided, we would appreciate the opportunity to discuss the matter with you further. At the end of this process, we do not want professional fees to be the only determining factor in your selection.

Please see Attachment C below.

## Attachment C: Pricing Proposal Summary

### ATTACHMENT C: PRICING PROPOSAL SUMMARY

In addition to completing this cover sheet, Respondents shall provide a detailed price proposal based on their approach to delivering the scope of services in this RFP. Note that Centralina is unable to accept unlimited reimbursable expenses. Any proposed reimbursable expenses must be capped in the price proposal.

#### SUMMARY OF AUDIT COSTS SHEET

1. Base Audit Includes Personnel costs, travel, and on-site work	\$ <u>69,500</u>
2. Financial Statement Preparation	\$ <u>5,500</u>
3. Extra Audit Service \$ <u>Varies</u> per hour See Hourly Rates on subsequent page for details	\$ _____
4. Other (explain) _____	\$ _____
5. Other (explain) _____	\$ _____
<b><u>TOTAL</u></b>	<b>\$ <u>75,000</u></b>

Please attach a full price proposal that references the specific tasks and deliverables outlined in Section 5 – SCOPE OF WORK. The format of the price proposal is at the discretion of the Respondent.

## Hourly Rates

In the event that circumstances arise and management request additional services outside the proposed scope, any additional costs associated with those requests will be negotiated prior to commencement of the work, and an amended contract will be approved by the governing board and forwarded to the staff of the North Carolina Local Government Commission for approval, as appropriate. Any work outside the proposed scope will be billed according to our hourly rates considering a number of variables: the complexity of the work, the project's scope, the time we will spend, and the level of professional staff needed.

Staff Level	Standard Rates	Discounted Rates		
		Low	Medium	High
Partner / Principal / Managing Director / Director	\$660	\$387	\$414	\$442
Senior Manager	\$510	\$301	\$323	\$344
Manager	\$385	\$239	\$256	\$273
Senior Associate / Senior Consultant	\$295	\$198	\$213	\$227
Associate / Consultant	\$235	\$147	\$158	\$168

## Exceptions to Terms & Conditions

FORVIS understands the parties will negotiate the terms and conditions contained in the post-award contract. To that end, certain terms and conditions as referenced in the RFP will require negotiation to comply with accounting professional standards and/or FORVIS' policies. Upon being selected as the successful bidder, FORVIS will work with Centralina to incorporate the FORVIS engagement letter into the post-award contract. As FORVIS has successfully resolved similar agreements with clients, FORVIS is confident the parties will successfully resolve all matters. FORVIS sincerely appreciates Centralina's consideration and understanding. FORVIS looks forward to working with Centralina on this engagement. Due to page limitations of the RFP, FORVIS can provide our sample engagement letter upon request.

### Attachment D: Location of Workers Utilized by Respondent

#### ATTACHMENT D: LOCATION OF WORKERS UTILIZED BY RESPONDENT

In accordance with NC General Statute 143-59.4, the Respondent shall detail the location(s) at which performance will occur, as well as the manner in which it intends to utilize resources or workers outside of the United States in the performance of this Contract. Centralina or its designee will evaluate the additional risks, costs, and other factors associated with such utilization prior to making an award. Please complete items a, b, and c below.

**Will any work under this Contract be performed outside the United States?**

<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO
------------------------------	--

If the Respondent answered "YES" above, Respondent shall complete items 1 and 2 below:

1. List the location(s) outside the United States where work under this Contract will be performed by the Respondent, any sub-Contractors, employees, or other persons performing work under the Contract:
  
2. Describe the corporate structure and location of corporate employees and activities of the Respondent, its affiliates or any other sub-Contractors that will perform work outside the U.S.:

**The Respondent agrees to provide notice, in writing to Centralina, of the relocation of the Respondent, employees of the Respondent, sub-Contractors of the Respondent, or other persons performing services under the Contract outside of the United States**

<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
---	-----------------------------

**Identify all U.S. locations at which performance will occur:**

Richmond, VA, Charlotte, NC, Houston, TX
--

# Attachment E: Certification of Insurance



## CERTIFICATE OF LIABILITY INSURANCE

DATE(MM/DD/YYYY)  
09/29/2022

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Aon Risk Services Central, Inc. Chicago IL Office 200 East Randolph Chicago IL 60601 USA	<b>CONTACT NAME:</b> PHONE (AC. No. Ext): (312) 381-1000      FAX (A.C. No.): (312) 381-7007	
	<b>E-MAIL ADDRESS:</b>	
<b>INSURED</b> FORVIS, LLP Attn: Scott Henderson 910 East St. Louis Street Suite 400 Springfield MO 65806 USA	<b>INSURER(S) AFFORDING COVERAGE</b>	
	<b>INSURER A:</b> Federal Insurance Company	20281
	<b>INSURER B:</b> Chubb National Ins Co	10052
	<b>INSURER C:</b> Chubb Indemnity Insurance Co.	12777
	<b>INSURER D:</b>	
	<b>INSURER E:</b>	

Holder Identifier :

**COVERAGES**      **CERTIFICATE NUMBER:** 570095695724      **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.      **Limits shown are as requested**

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> Blanket Additional Insured  GENL AGGREGATE LIMIT APPLIES PER <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC <input type="checkbox"/> OTHER			30040658 General Liability	06/01/2022	09/30/2023	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$1,000,000 MED EXP (Any one person) \$25,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMPOP AGG. Included
A	<input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON OWNED AUTOS ONLY			7362-88-88 Auto	06/01/2022	09/30/2023	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED. <input type="checkbox"/> RETENTION			78197191 Umbrella	06/01/2022	09/30/2023	EACH OCCURRENCE \$5,000,000 AGGREGATE \$5,000,000
B	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR / PARTNER / EXECUTIVE OFFICER / MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N		70441240 WC (AOS) 70441241 WC (AK & MS)	09/30/2022	09/30/2023	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE EA EMPLOYEE \$1,000,000 E.L. DISEASE POLICY LIMIT \$1,000,000
C							

Certificate No : 570095695724

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)  
 Evidence of Insurance

<b>CERTIFICATE HOLDER</b>  FORVIS, LLP 910 East St. Louis Street Suite 400 Springfield MO 65806 USA	<b>CANCELLATION</b> SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 
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ACORD 25 (2016/03)

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FORVIS

Public Sector / 21

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# Attachment F: Certification of Financial Condition

## ATTACHMENT F: CERTIFICATION OF FINANCIAL CONDITION

Name of Respondent: FORVIS, LLP

The undersigned hereby certifies that: [check all applicable boxes]

The Respondent is in sound financial condition and, if applicable, has received an unqualified audit opinion for the latest audit of its financial statements.

Date of latest audit: N/A

The Respondent has no outstanding liabilities, including tax and judgment liens, to the Internal Revenue Service or any other government entity.

The Respondent is current in all amounts due for payments of federal and state taxes and required employment-related contributions and withholdings.

The Respondent is not the subject of any current litigation or findings of noncompliance under federal or state law.

*Please see our explanation below.*

The Respondent has not been the subject of any past or current litigation, findings in any past litigation, or findings of noncompliance under federal or state law that may impact in any way its ability to fulfill the requirements of this Contract.

He or she is authorized to make the foregoing statements on behalf of the Respondent.

**Note:** This shall constitute a continuing certification and Respondent shall notify the Contract Lead within 15 days of any material change to any of the representations made herein.

**If any one or more of the foregoing boxes is NOT checked, Respondent shall explain the reason in the space below:**



March 24, 2023

Signature  
Gregory S. Miller Jr., CPA

Date  
Director

Printed Name

Title

**[This Certification must be signed by an individual authorized to speak for the Respondent]**

FORVIS is not the subject of any findings of noncompliance under federal or state law. To avoid litigation, FORVIS maintains an extensive risk management program addressing a multitude of issues ranging from client acceptance to final working paper and financial statement review. Yet, as with any firm our size, the firm may experience litigation from time to time. Details of litigation cannot be disclosed pursuant to confidentiality agreements; however, the results of litigation have never been material to the firm. There are no legal proceedings that would affect our ability to provide the services requested or serve our clients.

23

## Thinking of Your Future

## Additional Materials

In addition to Centralina's requested service, FORVIS has an extensive variety of service offerings that may be relevant to you now or in the future. If the need arises, we believe the following services could benefit Centralina. For more information, please contact Greg Miller at your convenience.

### Public Sector Consulting Services

Our Public Sector Consulting practice has the experience to help Centralina improve your operations and management across the wide range of local government functions, including public safety, public works, construction permitting, and fleet and facilities maintenance operations.

We can help you drive improvement by employing competitive tools that include:

#### Financial Management ✓

- Internal Audits
- Program Management & Compliance
- Grants Management & Compliance

#### Operations Management ✓

- Performance Audits
- Reimbursement & Performance Improvement Advisory
- Data Analytics & Business Intelligence
- Third-Party Contract Audits & Compliance
- Construction Audits

#### Risk Management ✓

- Enterprise Risk Management
- Risk & Internal Controls Assessments
- IT Risk Assessments
- Forensic Consulting & Investigative Support
- Expert Witness Support

#### Cybersecurity Strategy & Compliance ✓

- Cyber & IT Operations Risk Assessment
- Penetration Testing & Incident Response
- Payment Card Industry (PCI) Compliance

In addition, most organizations generate massive volumes of business data, creating challenges for those looking to use that data. Using performance measurement and data analytics techniques to identify service cost and quality issues, FORVIS can help Centralina find ways to more efficiently and effectively spend public funds. With extensive experience analyzing large amounts of data, our team can develop practical management tools to provide insight into your organization's performance.

### Payment Risk Analytics

Data analytics is one of the most effective anti-fraud controls, yet only a third of organizations use it. According to the Association of Certified Fraud Examiners 2022 Report to the Nations, the median loss due to fraud in the 2,110 cases studied was \$117,000. Losses range from small expense reimbursement fraud to asset misappropriation to multimillion-dollar corruption schemes. No matter what fraud scheme you're facing, we have the solutions to address it.

#### Purchasing Card Risk Analytics

Purchasing cards have empowered employees to make purchasing decisions. They've also exacerbated fraud, waste, and abuse. Our team of analysts and Certified Fraud Examiners can effectively leverage the data-rich nature of purchasing cards to help identify high-risk transactions throughout the population.

#### Accounts Payable Risk Analytics

Monitoring vendor activity plays a key role in managing fraud risk. Nearly all top fraud schemes involve cash disbursements, most of which run through an organization's vendors and accounts payable. FORVIS' proprietary vendor risk analytics solution can provide you with an overall vendor score to help identify the high-risk vendors in your organization.

#### Payroll Risk Analytics

From hourly time records and weekly payroll to email, social media, internet, and computer use, workforce management is laden with data. "Enterprise amnesia"—missing out on potentially unknown data—can significantly limit your decision making. FORVIS' payroll risk analytics solution can help you identify employee- and payroll-related risks and make informed decisions.



# The DNA of FORVIS

FORVIS isn't just our name; it's our promise to bring FORward VISion. We aspire to be focused, bold, forward-thinking, and forward-looking in what we do—training our minds to see possibilities. We believe this differentiates us. We are intentional in cultivating a diverse, collaborative, trusting, and respectful environment where our people feel they belong. We also encourage and provide an abundance of opportunities for our people to learn, grow, and excel throughout their careers.

At the same time, we seek to discover new solutions to our clients' most complex problems and strive to bring innovative solutions across the work we do. We're able to develop these solutions because of the deep understanding we have of our clients' businesses and the genuine relationships we form. We work to deliver bold and creative solutions that bring value, enable their success, and exceed their expectations.

## WE ARE FORVIS

### PURPOSE

To help those we serve unlock their full potential

### MISSION

To build remarkable careers and provide an Unmatched Client Experience™ through an uncommon commitment to excellence

### VISION

Our FORward VISion is to be known for creating engaging opportunities, delivering innovative solutions, and building unrivaled relationships

**FORVIS**

## The FORVIS WAY

**B**e your best self

**E**xcel always

**B**e builders

**O**perate as ONE  
FORVIS

**L**ead with  
integrity

**D**eliver an  
Unmatched  
Client  
Experience™

# The DNA of FORVIS

At FORVIS, we believe in a unique and better way to do business as a professional services firm – one that’s far more valuable and fulfilling for our people, clients, and future clients. The FORVIS DNA includes our new purpose, mission, vision, and values, which we refer to as The FORVIS Way. It’s a set of “values in action” and outlines behaviors that make us unmistakably FORVIS. One of those values in action is “Delivering an Unmatched Client Experience™,” a phrase you’ve likely heard us say often. This is a bedrock value for us. Our Unmatched Client Experience standards are:

**1. Listen to understand**

**2. Be responsive**

**3. Consult with purpose to deliver value**

These timeless standards are what make us FORVIS. We are proud to hold ourselves accountable and we are excited to show you The FORVIS Way in action.

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Chief Executive Officer



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# **CENTRALINA**

## **REGIONAL COUNCIL**

### **Item 7**

### Board Agenda Item Cover Sheet

<b>Board Meeting Date:</b>	April 12, 2023	<b>Agenda Item Type:</b>	<b>Consent:</b>		<b>Regular:</b>	X
<b>Submitting Person:</b>	Narissa Claiborne	<b>Presentation Time:</b>	15 minutes			
<b>Presenter at Meeting:</b>	Leslie Mozingo	<b>Phone Number:</b>	202-255-5760			
		<b>Email:</b>	<a href="mailto:leslie@strategics.consulting">leslie@strategics.consulting</a>			
<b>Alternate Contact:</b>	Geraldine Gardner	<b>Phone Number:</b>	704-348-2703			
		<b>Email:</b>	<a href="mailto:ggardner@centralina.org">ggardner@centralina.org</a>			
<b>Submitting Department:</b>	<b>Government Affairs &amp; Member Engagement</b>	<b>Department Head Approval:</b>	<b>Geraldine Gardner</b>			
<b>Description of Agenda Item: Federal Relations Update</b>						
<p>Leslie Mozingo, Strategics Consulting, will present an update on Centralina's federal relations efforts, including a performance report of activities for February- March 2023.</p>						
<b>Background &amp; Basis of Recommendations:</b>						
<p>Since 2015, Centralina has contracted with Strategic Consulting for federal relations consulting services. The Executive Board has requested that Ms. Mozingo present performance metrics reports at each of its meetings.</p>						
<b>Requested Action / Recommendation:</b>						
<p>Motion to accept the Strategics Consulting performance report for February - March 2023</p>						
<b>Time Sensitivity:</b> <i>(none or explain)</i>	None					
<b>Budget Impact:</b> <i>(none or explain)</i>	None					
<b>Attachments:</b> <i>(none or list)</i>	Goals and Activities for Strategics Consulting: February-March 2023 Report					

## **GOALS AND ACTIVITIES FOR STRATEGICS CONSULTING JANUARY – FEBRUARY 2023 REPORT**

- 1. Build, maintain and enhance relationships with Members of Congress and the federal agencies**
  - Updated Congressional contact information for the region.
  - Participated in meeting with U.S. Senator Thom Tillis’ Office and followed up regarding new protocols for requesting grant support.
  - Communicated with U.S. Senator Ted Budd’s office regarding regionalism in competitive grants on the Senate side.
  - Shared notices on Congresswoman Alma Adams’ State of the District event.
  - Communication regarding potential federal agency VIP visit and coordination with Congresswoman Adams’ office.
  - Provided updated Congressional Calendar.
  
- 2. Develop advocacy strategies around the approved Federal Action Plan on regional priorities and implement in coordination with Centralina’s management**
  - Finalized 2023 Federal Action Plan.
  - Prepared slides for, and presented to, Executive Board at January meeting and attended February Board of Delegates meeting.
  - Prepared slides for, and presented to, Regional Managers in January regarding ARPA flexibility provision in the Omnibus Appropriations bill.
  - Updated Federal Relations Calendar for, and participated in, biweekly calls with ED.
  - Revised strategy for securing appropriations language encouraging regionalism in competitive grants.
  - Communicated with ED on strategy for FY24 Community Projects Funding request and provided additional materials to assist in selecting potential projects.
  
- 3. Provide information and support related to federal grant opportunities in coordination with Centralina staff**
  - Provided update to Centralina ED on FY23 Omnibus Appropriations bill, including Community Projects Funding, which included **\$1 million for Centralina**. The project will address affordable housing preservation for low-and moderate-income elderly, veteran, and disabled homeowners.
  - Updated the Annual Forecast on all federal grants for local governments forthcoming in 2023.
  - Provided weekly Grants Alerts, as well as weekly updates on Requests for Information from federal agencies.
  - Wrote two Capital Corner entries to update membership on key developments in the FY23 Omnibus Appropriations bill and the new congressional delegation committee assignments.
  
- 4. Respond to trouble shooting requests from members and Centralina on federal issues**
  - Answered inquiries related to transportation grants, recycling grants, ARPA flexibility, energy efficiency funding, and more for Centralina members.

*For more information, contact Leslie Mazingo at (202) 255-5760 or [leslie@strategics.consulting](mailto:leslie@strategics.consulting).*

**GOALS AND ACTIVITIES FOR STRATEGICS CONSULTING  
March 2023 REPORT**

- 1. Build, maintain, and enhance relationships with Members of Congress and the federal agencies:**
  - Communicated with congressional offices regarding process for submitting FY24 appropriations.
  - Researched precedent for Centralina’s community project funding request.
  - Reviewed and recommended revisions for Centralina’s community project funding request.
  - Met with U.S. Senator Ted Budd’s office regarding regionalism in competitive grants on the Senate side.
  - Submitted request for bill report language to amend definitions of local governments to include regional councils to Senator Budd’s office in seven subcommittees. (Agriculture and Rural Development; Commerce, Justice, Science; Energy and Water; Interior, Environment, and Related Agencies; Homeland Security; Labor, Health and Human Services; Transportation, Housing and Urban Development).
  - Scheduled meetings with U.S. Representative Patrick McHenry’s staff and U.S. Representative Bishop’s staff regarding Centralina’s federal priorities.
  - Scheduled and participated in meeting with U.S. Environmental Protection Agency regarding Brownfields Program.
  - Scheduled meeting with U.S. Department of Transportation regarding Regional Accelerators Program.
  
- 2. Develop advocacy strategies around the approved Federal Action Plan on regional priorities and implement in coordination with Centralina’s management:**
  - Finalized 2023 Federal Action Plan.
  - Prepared slides for, and presented to, Executive Board at January meeting and attended February Board of Delegates meeting.
  - Prepared slides for, and presented to, Regional Managers in March regarding Climate Pollution Reduction Grant (CPRG) grant and Charging and Fueling Infrastructure Discretionary Grant Program.
  - Updated Federal Relations Calendar for, and participated in, biweekly calls with ED.
  - Revised strategy for securing appropriations language encouraging regionalism in competitive grants.
  - Communicated with ED on strategy for FY24 Community Projects Funding request and provided additional materials to assist in selecting potential projects.
  
- 3. Provide information and support related to federal grant opportunities in coordination with Centralina staff:**
  - Advised on CPRG program guidance, including COG eligibility and Centralina serving as the lead organization for the Charlotte-Concord-Gasontia (NC-SC) MSA.
  - Provided weekly Grants Alerts, as well as weekly updates on Requests for Information from federal agencies.
  - Wrote Capital Corner article to update membership on key developments in the Farm bill.
  
- 4. Respond to trouble shooting requests from members and Centralina on federal issues:**
  - Answered inquiries related to transportation grants, recycling grants, ARPA flexibility, energy efficiency funding, and more for Centralina members.
  - Responded to inquiries regarding the community project funding process for Centralina’s FY2023 Economic Development Initiative appropriations project.

*For more information, contact Leslie Mazingo at (202) 255-5760 or [leslie@strategics.consulting](mailto:leslie@strategics.consulting).*





# **CENTRALINA**

**REGIONAL COUNCIL**

## **Item 8**

## Executive Board Agenda Item Cover Sheet

<b>Board Meeting Date:</b>	April 12, 2023	<b>Agenda Item Type:</b>	<b>Consent:</b>		<b>Regular:</b>	X
<b>Submitting Person:</b>	Geraldine Gardner	<b>Presentation Time:</b>	10 minutes			
<b>Presenter at Meeting:</b>	Geraldine Gardner	<b>Phone Number:</b>	704-351-7130			
		<b>Email:</b>	ggardner@centralina.org			
<b>Alternate Contact:</b>	Denise Strosser	<b>Phone Number:</b>				
		<b>Email:</b>	Dstrosser@centralina.org			
<b>Submitting Department:</b>	Executive	<b>Department Head Approval:</b>	G.Gardner			
<b>Title of documents as shown in the Agenda:</b> Centralina Tax Status Documentation Discussion						
<b>Description of Agenda Item:</b> <i>(This wording will be used to summarize the item on the agenda cover page.)</i>						
<p>The Executive Board is asked determine the next steps to be taken, if any, to document Centralina's tax exempt status as a government instrumentality under U.S. Code § 115(1).</p>						
<b>Background &amp; Basis of Recommendations:</b>						
<p><u>Background:</u>          In 2021 while working to complete the administrative steps with the IRS and NC Treasury to change Centralina's name, the Executive Director and Finance Officer discovered that the organization had no official determination letter from the IRS regarding our tax-exempt status and classification as a government instrumentality. At one time Centralina was designated at 501(c)(4) non-profit, but that status was revoked by the IRS in the early 2000s. When we applied for a name change in 2021, the IRS affirmed Centralina's revoked 501(c)(4) status.</p> <p>In reviewing Centralina's files on the matter, we were unable to find records that clearly addressed our tax status with the IRS; we were only able to find correspondence from 2012 between Centralina's attorney Shumaker &amp; Associates and the then Executive Director Jim Prosser, acknowledging that our tax status with the IRS was unclear. We immediately tasked our current attorney at Shumaker &amp; Associates to investigate the issue and recommend next steps. Their findings outlined in a December 2021 memo recommended that Centralina amend its bylaws and charter to specifically prohibit any private party from benefitting or having an interest in Centralina's earnings or assets, and that upon dissolution, assets will be solely distributed to its member counties and municipalities. This change would enable the organization to be exempt from federal income tax as a government instrumentality under U.S. code § 115(1). Centralina's bylaws and charter were amended in February 2022 accordingly.</p> <p>Shumaker attorneys then transmitted the updated charter and bylaws to the IRS and worked with them to ensure that we are correctly coded in the IRS system as a "government instrumentality" under § 115(1) rather than a 501(c)(4). This was verified in an unofficial "governmental information letter" received from the IRS in February 2023 that also verifies that Centralina does not have to file 990s as a government instrumentality.</p>						

Issue for Board Input: The "governmental information letter" received from the IRS is not an official IRS ruling of determination of tax status. The letter, coupled with the attorney's memo documenting how we qualify as a government instrumentality and tax-exempt status under § 115(1) our only current and official documentation of the organization's tax status.

The only way to have an official determination from the IRS is to request and pay for a Private Letter Ruling (PLR) to confirm Centralina qualifies for the § 115 income exclusion. The PLR cost is between \$42,000 - \$48,000 (\$38,000 IRS fee + \$5,000-\$10,000 attorney fees). The available source of funding would be Membership Dues; however, this would significantly reduce funding available for other mission critical activities.

Staff is seeking input from the Board regarding any next steps to be taken to obtain additional documentation.

#### Options for Consideration & Decision

1. *Obtain an official IRS ruling that Centralina is a government instrumentality and tax exempt under § 115(1).*
  - a. Benefit: Clear internal record and official IRS ruling on the tax status
  - b. Cost/Risk: Financial cost for the PLR. Membership dues would be diverted from staff training and professional development; Board meeting costs and communications to pay for these costs.
  
2. *No Action - Prepare memo to our internal files with all actions taken to date.*
  - a. Cost/Risk:
    - i. No official IRS ruling for our records
    - ii. Attorney advises that the risk of an audit by the IRS is minimal; even if we were audited, they are confident that Centralina meets the test for the government instrumentality under § 115(1) and the audit itself would produce an official IRS ruling on our status.
  - b. Benefit: No financial impact
  
3. *Apply for 501(c)(3) non-profit status for Centralina that would be in parallel to the assumed tax exemption for government instrumentalities in § 115(1).*
  - a. Cost/Risk:
    - i. \$6,500 (\$600 IRS fee + \$5,000 attorney's fees) to prepare for the designation;
    - ii. We would need to ensure that no federal funds specifically designated for units of local government are put at risk with the 501(c)(3).
  - b. Benefit: lower cost option to have a clear IRS determination of tax-exempt status via 501(c)(3). Other COGs that have 501(c)(3) status including Western Piedmont COG, which also has federally funded Aging, Workforce and Economic Development funding.

<b>Requested Action / Recommendation:</b>	
Due to the costs of the PLR, staff recommends to the Board that we take no further action other than preparing detailed internal records and memos to the file for future reference.	
<b>Time Sensitivity:</b> <i>(none or explain)</i>	Time sensitive to inform budgeting for FY23-24
<b>Budget Impact:</b> <i>(none or explain)</i>	\$6,500 to \$48,000 depending on option selected.
<b>Attachments:</b> <i>(none or list)</i>	1. IRS governmental information letter received February 2023

**M E M O R A N D U M**

**TO:** Geraldine Gardner – Centralina Regional Counsel  
**FROM:** Jack Santaniello & Andrew Bosserman - Shumaker  
**DATE:** December 20, 2021  
**RE:** Centralina’s Tax Status and Executive Director Powers

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**QUESTIONS**

- 1) Is Centralina’s income exempt from federal income tax?
- 2) What is Centralina’s correct non-profit tax status?
- 3) What powers does Centralina’s Executive Director have under the Charter Resolution and Bylaws?

**SHORT ANSWERS**

- 1) Centralina’s income is not exempt from federal income tax under IRC § 115(1) because its charter and bylaws do not specifically prohibit any private party from benefitting or having an interest in Centralina’s earnings or assets, and that upon dissolution, assets will be solely distributed to its member counties and municipalities. If its charter and bylaws are amended, Centralina’s income would be exempt from federal income tax under § 115(1).
- 2) Centralina does not need to be a true non-profit under IRC §501(c) if its income is exempt under § 115(1). Non-profit exempt status may be desirable if Centralina wishes to accept public contributions or for other reasons. However, exempt status is not required to accept tax-deductible contributions as long as Centralina meets the “political subdivision” test.
- 3) Centralina’s Executive Director powers include approving certain contracts and recommending a budget to the Executive Board.

## DISCUSSION

- I. Centralina’s income is not exempt from federal income tax under IRC § 115(1) because its charter and bylaws do not specifically prohibit any private party from benefitting or having an interest in Centralina’s earnings or assets, and that upon dissolution, assets will be solely distributed to its member counties and municipalities. If its charter and bylaws are amended, Centralina’s income would be exempt from federal income tax under § 115(1).

Generally, all income is subject to federal income tax unless a specific exception applies. IRC § 61. One of these exceptions is income of states and municipalities. According to IRC § 115(1), “gross income does not include—income derived from...the exercise of any essential governmental function and accruing to a State or any political subdivision thereof.”

Whether an activity consists of an “essential governmental function” is determined based on an individualized basis. Factors the IRS considers includes whether the activity is one traditionally considered governmental (as opposed to private or proprietary), whether it involves the exercise of governmental (sovereign) powers, the extent of government control over the activity, and the extent of government financial interest in the activity. Rev. Rul 77-261; 1990 EO CPE Text on “Instrumentalities.”

Income “accrues to a State” when the State or subdivision has an unrestricted right to a proportionate share of the income. Rev. Rul. 77-261. Further, upon dissolution of the organization, the assets of the organization must be distributed to one or more States or subdivisions. Rev. Proc. 2003-12 § 2.02. Even if state law satisfies the distribution requirement, the organization will not meet the requirements of § 115(1) (for purposes of obtaining a ruling) unless its articles of organization also limit distribution of assets upon dissolution to States, subdivisions, or other qualified entities. *Id.* § 3.

Centralina’s situation is extremely similar to the association in PLR 9050052 (1990). In PLR 9050052, the IRS ruled that the income of a tax-exempt, nonpartisan association of county governments was excluded from gross income per IRC §115(1). The association was formed to solve problems common to counties of the State. *Id.* The association performed an essential government function because the member counties received the benefits of improved service and reduced costs through cooperative efforts. *Id.* Crucial to the IRS’ decision that the Association’s income accrued to the State were the following provisions in the Association’s constitution:

- 1) No part of Association’s earning may inure to the benefit of any private interest;
- 2) Only Association members that are counties have a proprietary interest

in the assets of Association; and

3) Upon distribution of any assets during the life of the Association, or upon dissolution of the Association, assets will be distributed solely to the member counties. *Id.*

The IRS' decision in PLR 9050052 is similar to its decision in PLR 200909019 (2009), where it found an association's income accrued to a State where the association's articles of incorporation provided that any remaining assets after satisfaction of liabilities were to be distributed only to the association's member states.

Here, Centralina likely performs an essential government function required under IRC § 115(1). According to its Charter Resolution, Centralina was created for the area's county and municipal governments to "consult among themselves and to act in concert with reference to regional matters affecting health, safety, welfare, education, recreation, economic conditions, regional planning or regional development." This is similar to the association in PLR 9050052 "solving problems common to counties of the State."

However, Centralina likely does not meet the requirement of its income "accruing to the State" based on its current charter and bylaws. Currently, its charter is not as specific regarding finances as the association's constitution analyzed in PLR 9050052 and the association's articles of incorporation in PLR 200909019.

Centralina's charter provides that "if such dissolution is affected by resolution of the member governments, such resolution shall specify the method of liquidating the Council's assets and liabilities." Centralina Charter Resolution, Item XII § B. This provision is not specific enough to meet the requirements of PLRs 9050052 and 200909019, where the association's Constitution and articles of incorporation specifically provided for distribution solely to the member counties upon dissolution, along with other provisions prohibiting any private interest in the association's earnings or assets.

Further, even though Centralina's bylaws provide that its "accounting and fiscal control procedure shall be in accordance with the Local Government Budget and Fiscal Control Act of North Carolina," this does not meet the requirements of Rev. Proc. 2003-12 that provisions regarding accrual to the State must actually be in the association's articles of organization (or similar documents).

Therefore, we recommend that Centralina's Charter Resolution and Bylaws be amended to explicitly provide that no private party may benefit or have an interest in Centralina's earnings or assets, and that upon dissolution,

assets will be solely distributed to its member counties and municipalities. These amendments are necessary for Centralina's income to be exempt from taxation under IRC § 115(1).

- II. Centralina does not need to be a true non-profit under IRC §501(c) if its income is exempt under § 115(1). Non-profit exempt status would likely be undesirable because it would result in additional tax filing and compliance requirements. Centralina may still accept tax-deductible contributions if it meets the "political subdivision" test, even if it is not exempt under § 501.

Generally, every tax-exempt organization must file an annual return or report with the IRS unless an exception applies. IRC § 6033(a)(1). One type of organization that does not have to file an annual report or return is "a State institution, the income of which is excluded from gross income under section 115(1)." Treas. Reg. §§ 1.6033-2(g)(1)(v); 1.6033-6(b)(2)(v). This is consistent with Section B of the 2020 Form 990 Instructions, which state that "a state institution whose income is excluded from gross income under section 115" is not required to file Form 990. This conclusion is also consistent with PLR 9143057, in which the gross income from a 501(c)(3) business incubator formed by a state council of governments was exempt from tax under IRC § 115(1) and not required to file a Form 990 per Treas. Reg. § 1.6033-2(g)(1)(v).

Meeting a tax-exempt classification under IRC § 501(c) is not necessary for Centralina's income to be tax exempt and exempt from filing requirements as long as Centralina meets the requirements of IRC § 115. However, Centralina may still meet a tax-exempt classification under IRC § 501(c) if it wishes.

One potential important issue to Centralina is the deductibility of contributions to Centralina. If Centralina amends its Charter Resolution and Bylaws to be a § 115 entity, it must also be a "political subdivision" to accept tax-deductible contributions. § 170(c)(1). The IRS looks at a six-factor test when determining whether an organization is a "political subdivision" for purposes of § 170. Rev. Rul. 57-128. The six factors are:

- 1) Whether the entity is used for a governmental purpose and performs a governmental function;
- 2) Whether the entity performs its functions on behalf of one or more states or political subdivisions;
- 3) Whether there are any private interests involved, or whether the state or political subdivision involved has the powers and interests of an owner;
- 4) Whether control and supervision of the entity is vested in a public



- authority;
- 5) Whether governmental authorization is necessary for creation or use of the entity; and
  - 6) The degree of financial autonomy and the source of the entity's operating revenues. *Id.*

An association of governors that provided a forum for governors to exchange their views on good governance was held to meet the first factor. PLR 200909019. Centralina likely meets the first factor because it provides a forum for counties and municipalities to “consult among themselves and to act in concert with reference to regional matters.” Centralina Charter Resolution, Preamble.

To meet the second factor, an entity must generally be a “wholly governmentally controlled entity.” TAM 200222029 (2002). Here, Centralina is controlled by delegates of its constituent governments. Centralina Charter Resolution, Items V & VI. Therefore, Centralina will likely meet this test since it is wholly controlled by its constituent governments through their delegates.

The third factor is generally met if, upon dissolution, the assets flow to a governmental entity rather than private interests. Centralina will meet this factor if it amends its Charter Resolution and Bylaws as recommended in the previous section.

The fourth factor is met if the entity is governed by public officials acting in their official capacity. Rev. Rul. 65-26. Municipal officers acting in their individual, rather than official, capacity did not meet this factor. *Id.* Centralina likely meets this factor because its Charter Resolution provides that “all rights and privileges of membership in the Council shall be exercised on behalf of the member governments by their delegates to the Council.” Centralina Charter Resolution, Item III § C.

Centralina meets the fifth factor because it was created under specific state law authorization. N.C.G.S. § 160A-470-478.

The sixth factor is satisfied if an association expects to receive a significant part of its funding from membership dues paid by its members and the members have authority to oversee the use of the association's funds. PLR 200909019. Centralina likely meets the sixth factor because its Charter Resolution provides that “the general operating expenses of the Council shall be paid from funds paid to the Council by each member governmental unit.” Centralina Charter Resolution, Item IX § A. Further, Centralina's powers and duties include control over all member assessments and any other funds received. *Id.*, Item VIII § B2.

In conclusion, Centralina will likely meet the political subdivision test if it amends its bylaws as recommended in Section I. If Centralina is both a § 115 entity and a political subdivision, its income will be tax-exempt and it will be able to accept tax-deductible contributions. If this is the case, tax-exempt status under § 501 would be unnecessary and also result in additional filing requirements.

III. Centralina's Executive Director has the power to approve certain contracts and recommend a budget to the Executive Board.

All of the powers of Centralina's Executive Director come from Centralina's Bylaws. The Council has the power to "adopt By-laws containing such rules and regulations for the conduct of its business as it may deem necessary for the proper discharge of its duties and the performance of its functions, not inconsistent with the Charter or the laws of North Carolina." Centralina Charter Resolution, Item VIII § B6.

Under its Bylaws, the main powers of Centralina's Executive Director include powers to contract and recommending a budget. Centralina Regional Council Bylaws (August 11, 2021).

The Executive Director is authorized to "approve and contract for (a) the expenditure of general operating revenue in the amount or value of \$50,000 or less, (b) the expenditures of federal, state and/or local funds of \$200,000 or less," as long as the contracts are consistent with the current budget. *Id.*, Article IV § A2. Any contracts not meeting these guidelines must be approved by the Executive Board. *Id.*, Article IV § A1.

Further, the Executive Director also may "approve and contract for services to be provided to member governments at cost, regardless of amount or value, provided the service agreement entered into by the Executive Director is reported to the Executive Board at its next meeting." *Id.*, Article IV § A3.

Other powers of the Executive Director include designating the time and place of Executive Board meetings, as well as preparing and recommending an annual budget. *Id.*, Article VII § D2; Article X § B.

Finally, the Executive Director also has the power to write off uncollectible accounts of \$100 or less. *Id.*, Article X § F. The Treasurer or the Executive Board must approve write-offs of more than \$100. *Id.*



# **CENTRALINA**

## **REGIONAL COUNCIL**

### **Item 9**

## Executive Board Agenda Item Cover Sheet

<b>Board Meeting Date:</b>	April 12, 2023	<b>Agenda Item Type:</b>	<b>Consent:</b>		<b>Regular:</b>	X
<b>Submitting Person:</b>	Anna Lu Wilson	<b>Presentation Time:</b>	15 minutes			
<b>Presenter at Meeting:</b>	Christina Danis	<b>Phone Number:</b>	704-688-6502			
		<b>Email:</b>	cdanis@centralina.org			
<b>Alternate Contact:</b>	Anna Lu Wildon	<b>Phone Number:</b>	704-385-4790			
		<b>Email:</b>	awilson@centralina.org			
<b>Submitting Department:</b>	CED	<b>Department Head Approval:</b>	Christina Danis			
<b>Title of documents as shown in the Agenda: Broadband and Digital Inclusion Update</b>						
<b>Description of Agenda Item: (This wording will be used to summarize the item on the agenda cover page.)</b>						
<p>Centralina received the BAND-NC grant which is funded by the Institute for Emerging Issues (IEI) at NC State to address the digital divide across the region and promote digital equity.</p>						
<b>Background &amp; Basis of Recommendations:</b>						
<p>Building a New Digital Economy (BAND-NC) was initiated in February 2020 to address the challenges of broadband adoption across North Carolina and bridge the digital divide. Rural communities, lower income populations, communities of color and older people have a higher likelihood of lacking access to broadband services and disproportionately suffer from the increasing reliance on digital technology. The goal of BAND-NC is for all 100 counties in North Carolina to publish digital inclusion plans in order to reduce this number and close the digital divide. Digital inclusion is more than an infrastructure access issue, but also includes the need for affordable internet subscriptions, device access and digital literacy skills.</p> <p>The objective for Centralina counties to participate in the digital inclusion planning process supports the state-wide effort and makes our counties more competitive for future grant funding initiatives.</p> <p>Centralina staff will assist local county leaders to participate in a regional stakeholder lead group. to establish equity and inclusion goals for the Digital Inclusion Plan that each county will complete. They will start by establishing what tools and resources are available, what areas and populations of people do not currently have access to broadband, and what strategies are needed so everyone can connect successfully.</p> <p>The project is an opportunity for Centralina cross-department collaboration to align the initiatives of the CEDS (Comprehensive Economic Development Strategy) and the RRC (Regional Resilience Collaborative) NCARCOG (North Carolina Association of Regional Council of Governments) Recovery Planning components and Connect Beyond by incorporating the broadband efforts into each area.</p> <p>This is an 18-month process led by Centralina staff in GAME and CED with support from Planning will begin July 1, 2023</p>						

<b>Requested Action / Recommendation:</b>	
Received as information	
<b>Time Sensitivity:</b> <i>(none or explain)</i>	none
<b>Budget Impact:</b> <i>(none or explain)</i>	none
<b>Attachments:</b> <i>(none or list)</i>	none



# **CENTRALINA**

## **REGIONAL COUNCIL**

### **Item 9**

**No attachments. Presentation to be made during meeting.**

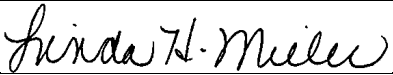


# **CENTRALINA**

**REGIONAL COUNCIL**

## **Item 10**

## Board Agenda Item Cover Sheet

<b>Board Meeting Date:</b>	April 12, 2023	<b>Agenda Item Type:</b>	<b>Consent:</b>		<b>Regular:</b>	X
<b>Submitting Person:</b>	Linda Miller	<b>Presentation Time:</b>	10 minutes			
<b>Presenter at Meeting:</b>	Linda Miller	<b>Phone Number:</b>	704-372-2416			
		<b>Email:</b>	<a href="mailto:lmiller@centralina.org">lmiller@centralina.org</a>			
<b>Alternate Contact:</b>	Katie Kutcher	<b>Phone Number:</b>	704-372-2416			
		<b>Email:</b>	<a href="mailto:kkutcher@centralina.org">kkutcher@centralina.org</a>			
<b>Submitting Department:</b>	Aging	<b>Department Head Approval:</b>				
<b>Description of Agenda Item:</b> <i>(This wording will be used to summarize the item on the agenda cover page.)</i>						
<p>The Centralina Area Agency on Aging has been awarded \$295,750 in federal funds by the USAging Aging and Disability Vaccination Collaborative. Based on feedback from the Executive Board, Centralina has adjusted the grant scope to focus on influenza and shingles vaccinations activities only. Funds will support staff salaries to educate, inform, conduct outreach, and assist older and disabled adults with procuring vaccinations as requested.</p>						
<b>Background &amp; Basis of Recommendations:</b>						
<p>At the direction of the Executive Board, the Aging Director contacted grant funder USAging regarding focusing the vaccine grant scope and deliverables only on influenza and shingles vaccine information and outreach, access, and supportive services. The amendment to the grant scope has been approved by USAging and therefore the revised contract package is being resubmitted to the Executive Board for approval at its April meeting.</p>						
<b>Requested Action / Recommendation:</b>						
<p>Request a motion to accept the USAging Aging and Disability Vaccination Collaboration Vaccine grant award in the amount of \$295,750 with amended grant activities and scope of work for influenza and shingles vaccines only.</p>						
<b>Time Sensitivity:</b> <i>(none or explain)</i>	Grant begins upon finalization of signed agreement and the period of performance is through April 2024.					
<b>Budget Impact:</b> <i>(none or explain)</i>	\$295,750 of new revenue for FY22-23 and FY23-24. No match required.					
<b>Attachments:</b> <i>(none or list)</i>	Amended USAging Vaccine Collaborative Attachment A: Scope of Work					





Leaders in Aging Well at Home

**Aging and Disability Vaccination Collaboration**  
**Attachment A: Centralina Amended Scope of Work**

**Scope of Work**

*Please Note: Scope of Work activities can be accomplished by the sub-grantee directly **or** through partner agencies. Sub-grantees do NOT need to complete every bullet point under each broader activity, but activity should occur in each area.*

**Primary Grant Activities**

- **Influenza and Shingles Vaccination Access**
- **Supportive Services**
- **General Influenza and Shingles Vaccination Information and Outreach**

**Influenza and Shingles Vaccination Access:**

- Partner, support, and/or assist with local county-based and non-profit vaccine clinics.
- Refer clients who self-identify as requiring in-home vaccinations to individual health care providers and county based health departments, as needed.
- Identify areas in the region with populations who may need help getting vaccinations, including those who are unable to independently travel to a vaccination site.
- Integrate USAging vaccination messages and materials into any activity not currently funded by similar vaccine outreach grants and programs.
- Include USAging vaccination materials in regional outreach activities.
- Report grant activity efforts as appropriate.

**Supportive Services:**

- Arrange with or refer to county partners for accessible transportation to vaccination sites for those who need assistance.
- Provide or arrange personal support (e.g., peer support) to older adults and people with disabilities for those who need assistance.
- Help with scheduling vaccination appointments for those who need it.
- Provide necessary referral services in support of vaccination services as identified.
- Report supportive services as appropriate.

**General Influenza and Shingles Vaccination Information and Outreach:**

- Disseminate credible information about Influenza and Shingles vaccines and help direct older adults and those with disabilities with questions to additional sources of information.

- Conduct vaccine outreach, education and material dissemination utilizing generalized or targeted campaigns; community events such as health fairs: congregate meal site activities; Medicare Open Enrollment events and one-on-one in-person counseling and group counseling sessions; and one-on-one interactions with community members.
- Provide electronic copies of all written materials developed in the scope of this award.
- Report Information and Outreach activities as appropriate.

### **Partnership Development:**

- Conduct outreach to local Federally Qualified Health Centers (FQHCs), Public Health Departments, home health agencies, physician groups, etc. to determine the feasibility of partnerships that support increased dissemination of information, referrals and services.
- Explore partnerships that increase vaccination outreach, including educational activities and the dissemination of materials.
- Develop sub-contracts as needed to accomplish scope of work.
- Provide a copy of agreements with consultants and/or subcontractors recruited to assist with work plan activities if needed.
- Report on partner inclusion in efforts as appropriate.

### **Training and Peer-to-Peer Engagement**

- Utilize the training, education and tools provided by USAging and ADVC Advisory Group partners and available on the ADVC Resource Hub.
- Participate in on-boarding education, training, and technical assistance sessions as necessary.
- Access and utilize the ADVC Resource Hub to access materials and participate in training.
- Participate in peer-to-peer engagement opportunities as necessary to share ideas and successes.

### **Reporting Requirements**

#### **Service Delivery Documentation:**

- Cumulus will be used by USAging and all sub-grantees for **weekly** tracking, reporting, and monitoring of activities associated with this initiative, including:
  - Tracking of events, which may include activities such as education, outreach and other activities.
  - Reporting on supportive services such as transportation services, assistance with scheduling appointments for vaccinations, personal support and referral to other services; and
  - Tracking and reporting on shingles and influenza vaccinations.
- USAging will provide pre-paid subscriptions for Cumulus (<https://cumulus.care>) to each sub-grantee and their associated users.
- Sub-grantees are expected to use Cumulus to track and report all grant activities.

- Sub-grantees will have access to training tutorials, contextual “how to” tutorials, written user guides and other support resources, all of which will be available within the Cumulus portal.

### **Progress Reports**

- Sub-grantees will provide a narrative report that will respond to items such as the following questions:
  - What are the major highlights for the reporting period?
  - What did you accomplish during this reporting period and how did these accomplishments help you reach your stated project goals and objectives(s)? Please note any significant project partners and their role in project activities.
  - What if any, challenges did you face during the reporting period and what actions did you take to address those challenges? Please note in your response changes, if any, to your project goal(s), objectives(s) or activities that were made as a result of challenges faced.
  - How have the activities conducted during this project period helped you to achieve your stated goals?
  - What was produced during the reporting period and how have these products been disseminated?
- It is anticipated that narrative reports will be due according to the following schedule:
  - First Reporting Period covering grant activities until June 30, 2023— Due to USAging on July 15, 2023;
  - Second Reporting Period covering grant activities from July 1, 2023 – December 31, 2023—Due to USAging on January 15, 2024; and
  - Final Reporting Period covering grant activities from January 1, 2024 – April 15, 2024—Due to USAging on May 15, 2024.
- Direct service document will be entered weekly to demonstrate progress towards reaching overall program goals and/or challenges in reaching those goals.
- Please note: reporting requirements may change slightly depending on requests made by ACL during the grant period.

### **Financial Reports**

- Subgrantees will complete three financial reports utilizing the **Attachment C** according to the following schedule:
  - First Reporting Period covering grant activities until June 30, 2023— Due to USAging on July 15, 2023;
  - Second Reporting Period covering grant activities from July 1, 2023 – December 31, 2023—Due to USAging on January 15, 2024; and
  - Final Reporting Period covering grant activities from January 1, 2024 – April 15, 2024—Due to USAging on May 15, 2024. The final report will be a compilation of the overall impact of each sub-grantee’s project and provides both empirical and anecdotal summaries.
- Attachment C will be provided to sub-grantees in Excel format following grant award.