

# Empowering Community Safety Micro-Grant Manual



**Effective January 27, 2025**

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## Grant Overview

The City of Fayetteville is providing micro-grants to community-based organizations to fund, inspire, and boost community crime reduction activities. The micro-grant is designed to support community groups' efforts to prevent crime and violence in Fayetteville. The program offers micro-grant opportunities and capacity-building training to local groups and non-profits, to increase crime reduction activities and build the city's local non-profit capacity. The micro-grant program will operate for 12 months consisting of subsequent grant cycles of six months each.

This "low barrier" grant program is intended to allow community members to apply and access grant funding (**YOU DO NOT NEED TO BE A NON-PROFIT TO APPLY**). For-profit enterprises **will not** be considered. The program will use a "capacity building" design to increase community group impact, the capacity of the non-profit sector, and to grow grassroots organizations. This program will hold grantee organizations accountable for their budget, program actions, and measurable outcomes.

## Purpose

The micro-grant program provides small grants to fund, inspire, and assist with crime reduction efforts based on the following themes:

- Conflict Resolution and Mediation
- Community Crime Prevention
- Opportunities for Youth / Parents / Families
- Family Stability
- Addressing Upward Mobility
- Implicit Bias and Diversity

The micro-grant program is a violence prevention and community safety initiative. Therefore, priority will be placed on programming and opportunities that are:

- **Inclusive:** meaningfully engaging key stakeholders – thoughtfully identifying those needed to create the intended change and including those directly affected by the problem.
- **Collaborative:** An actual joint effort with partners willing to share ownership and decision-making as they pursue an innovation together.
- **Resourceful:** Using existing resources and assets creatively to make the most of what a community already has.
- **Innovative:** Leads to a community innovation – a breakthrough in addressing a community need or opportunity that is more effective, equitable, or sustainable than existing approaches.

The micro-grant program is also intended to spur crime reduction activities in all city areas. However, projects that have activities in the following zip codes will receive additional consideration during the application review process:

- 28301
- 28303
- 28306
- 28311
- 28312
- 28314

The City of Fayetteville has allocated \$50,000 for each of the two grant cycles. Grant cycles begin in Aug 2024 and last approximately six months each. If not funded further, the second and final grant cycle is anticipated to be completed by June 2025. As part of this program, the City will offer support and capacity-building training to ensure that the efforts seeded by these grants may be sustained into the future.

## Awards & Categories

### **Empowering Community Safety Micro-Grant Award Tiers**

<b>Tier One</b>	<ul style="list-style-type: none"> <li>• Award of up to \$1,500</li> </ul>
<b>Tier Two</b>	<ul style="list-style-type: none"> <li>• Award of up to \$2,500</li> <li>• Applicants must have completed Tier One</li> </ul>
<b>Tier Three</b>	<ul style="list-style-type: none"> <li>• Award of up to \$5,000</li> <li>• Must be a nonprofit or be fiscally sponsored by a nonprofit</li> </ul>

## Eligibility

- Organizations must have an annual operating budget of less than \$100,000.
- Projects must be connected to the themes listed under the “Purpose” section above.
- Must complete three (3) organization capacity-building workshops.

### **Types of Organizations:**

- Churches, Temples, or Mosques – do not have to have 501 (c) status.
- Community Watch – residents of a neighborhood who meet to discourage crime.
- Community Group – any group of people who work for the benefit of the public.
- Civic Associations – Boy/Girls Scouts, HOA, Fraternities/Sororities, etc.
- Non-profit Organizations – a legal entity organized for a collective public/social benefit.
- Individuals – Community leaders within the City of Fayetteville.

## Use of Funds

Funds cannot be passed through to another organization unless using a nonprofit fiscal sponsor (i.e., cannot be used for membership fees). Funds can only be used for programming as outlined in the budget submitted with the application. Once the project is completed, receipts must be provided detailing expenditures.

All grant awardees will be publicly available information and published on the City’s website including the amount of funds disbursed and the outcome of the project. If for whatever reason a project is not able to be completed, it will be noted on this site as well.

For programs providing doorbell cameras, the applicant will need to propose how they plan to purchase, install, and train households on the utilization of these devices.

## Examples:

### Community Crime Prevention

- Community-based violence prevention activities
- Opportunities for returning citizens
- Safety and Security for seniors
- Restorative Justice programs and activities
- Neighborhood blight patrol
- Gun intervention strategies
- Doorbell camera initiatives

### Conflict Resolution and Mediation

- Anti-bullying training and activities
- Anti-harassment training and activities
- Conflict resolution training
- Activities that promote peace and non-violent communication
- Activities that train conflict de-escalation

### Opportunities for Youth / Parents / Families

- Leader/mentor training/activities
- Out-of-school college and career experiences for youth 14-20
- School-to-community connections for families in underperforming schools
- Music or dance classes
- Improvisation or spoken word competitions

### Family Stability

- Nutrition and food security projects
- Access to affordable housing projects
- Access to public transportation projects
- Projects that support Kinship Caregivers

### Addressing Upward Mobility

- Career Training
- Actions that reduce barriers and build relationships among diverse groups of people
- Community education on the impact of segregation in housing and education
- Training and workshops to increase community engagement on current issues

### Implicit bias and Diversity

- Training and workshops to address stereotypes and inclusion
- Strategies that give tools for changing behavior
- Program that exchanges perspectives of others
- Dialogue that increases interactions with different people

## **Selection Process and Considerations**

1. Potential grantees must complete and submit a micro-grant application.
2. The Economic and Community Development Department will host pre-application workshops to prepare applicants.
3. Applications will be reviewed by a committee of City Staff for completion and selected for awards (in the case that more applications are received than there are funds available, recommendations will be approved by a citizen-appointed panel, approved by City Council.)
4. Grantees will attend an orientation session, sign a Recipient Agreement, and receive their grant funds.
5. Projects must be completed and grantees must submit a short report and receipts by the close of the grant cycle
6. Grantees must participate in three nonprofit capacity-building classes provided by the City

**NOTE:** Failure to complete these steps may result in future grant applications not being considered. In addition, the organization may also be asked to return its grant dollars.

## **Pre-Application Workshop**

A pre-application workshop is strongly encouraged for all potential applicants. The workshop will cover specifics of the application software, review the grant cycle timeline, and answer any questions about the grant. Workshops will be held via Microsoft Teams and registration is required. Please refer to the micro-grant website at [www.fayettevillenc.gov/microgrant](http://www.fayettevillenc.gov/microgrant) for instructions to register.

### **Workshop Dates:**

- February 5, 2025 – 6:30 p.m.
- February 12, 2025 – 6:30 p.m.

## **Application Instructions**

1. Go to our website [www.fayettevillenc.gov/microgrant](http://www.fayettevillenc.gov/microgrant)
2. Follow the link to apply to the program
3. Create a new account or log in to an existing account in the Neighborly software

For more information, please email [EconCommDev@FayettevilleNC.gov](mailto:EconCommDev@FayettevilleNC.gov) or call 910-433-1590.

## **Organizational Capacity Building**

The micro-grant program will provide free training during each grant cycle to help strengthen grassroots organizations. This mandatory training will be offered at no cost to all grant recipients.

The classes are designed to educate applicants on various aspects of starting, growing, and sustaining successful nonprofits. Tier One awardees will be required to complete three (3) self-paced online courses covering the following topics:

1. Introduction to Non-Profit Formation and Management
2. Operating a Non-Profit Organization
3. Fundraising, Grant Writing, Financial Management, and Reporting

### **March 26, 2025, @ 6:30 PM**

Objectives: Provide a clear understanding of what is required to establish and operate an NPO and help participants determine if they are ready to start a nonprofit, and what they need to do to launch a nonprofit.

### **April 23, 2025, @ 6:30 PM**

Objectives: Show participants how to recruit, screen, onboard, and manage board members, volunteers, and donors; routine tasks and required reports; best practices of successful long-term nonprofits.

### **May 21, 2025, @ 6:30 PM**

Objectives: Outline the steps to generate ongoing income via grants, sponsorships, and fund-raising.

## **Micro-Grant Timeline**

### **Grant Cycle Six – January 2025 through June 2025**

<b>Date</b>	<b>Event/s</b>
<b>January 27, 2025</b>	<ul style="list-style-type: none"><li>• Notice of Funding Availability (NOFA)</li></ul>
<b>February 5, 2025 - 6:30 p.m.</b>	<ul style="list-style-type: none"><li>• Pre-Application Workshop #1</li></ul>
<b>February 12, 2025- 6:30 p.m.</b>	<ul style="list-style-type: none"><li>• Pre-Application Workshop #2</li></ul>
<b>February 23, 2025 - 11:59 p.m.</b>	<ul style="list-style-type: none"><li>• Grant Applications Due</li></ul>
<b>February 24-March 4, 2025</b>	<ul style="list-style-type: none"><li>• Grant Applications Reviewed by Staff</li></ul>
<b>March 10, 2025</b>	<ul style="list-style-type: none"><li>• Grant Applications Reviewed and Approved by Citizen Appointed Reviewers</li></ul>
<b>March 17, 2025</b>	<ul style="list-style-type: none"><li>• Announce approved grant awards on website and direct notification</li></ul>
<b>March 17-25, 2025</b>	<ul style="list-style-type: none"><li>• Applicant and Grant processing</li><li>• Signature of Contract and W9</li></ul>
<b>March 26, 2025 – 6:30 p.m.</b>	<ul style="list-style-type: none"><li>• Grantee Monthly Meeting #1</li></ul>
<b>April 23, 2025– 6:30 p.m.</b>	<ul style="list-style-type: none"><li>• Grantee Monthly Meeting #2</li></ul>
<b>April 25, 2025</b>	<ul style="list-style-type: none"><li>• Start release of funds</li></ul>
<b>May 21, 2025– 6:30 p.m.</b>	<ul style="list-style-type: none"><li>• Grantee Monthly Meeting #3</li></ul>
<b>June 20, 2025</b>	<ul style="list-style-type: none"><li>• Grantee project closure reports submitted to ECD</li></ul>

## APPENDIX A – Community Group/Leader Agreement

STATE OF NORTH CAROLINA

COUNTY OF CUMBERLAND

### COMMUNITY SAFETY MICRO-GRANT PROGRAM RECIPIENT AGREEMENT

THIS GRANT AGREEMENT, made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2025, by and between the CITY OF FAYETTEVILLE, a municipal corporation organized and existing under the laws of the State of North Carolina, by and through its Economic and Community Development Department, (hereinafter referred to as the “GRANTOR”) and \_\_\_\_\_ (hereinafter referred to as the “GRANTEE” whether singular or plural). GRANTOR and GRANTEE together shall be referred to as “PARTIES.”

#### WITNESSETH:

WHEREAS, Pursuant to Budget Ordinance Amendment (BOA) 2025-4, dated August 12, 2024, in which Fayetteville City Council appropriated \$130,000 of ARPA interest earnings from the General Fund fund balance for the Economic and Community Development Department’s Empowering Community Safety Micro-Grant Program to fund, inspire, and boost community crime reduction activities in the City of Fayetteville;

WHEREAS GRANTOR, as part of its Empowering Community Safety Micro-Grant Program, wishes to engage the GRANTEE to assist GRANTOR to utilize such funds to reduce crime in the City of Fayetteville;

WHEREAS GRANTOR has agreed to provide a grant to the GRANTEE, which the GRANTEE will be required to use as specified in this Agreement; and

WHEREAS, GRANTOR is willing to make such a grant to the GRANTEE as specified in its City of Fayetteville Community Safety Micro-Grant Application (hereinafter the “Application”), a copy of which is attached hereto as Exhibit A and incorporated into this Agreement by reference, and to use the grant funds as specified in this Agreement upon the terms and subject to the conditions hereinafter set forth.

NOW, THEREFORE, the Parties, upon the mutual considerations as set forth herein, hereto agree as follows:

1. The Grant: The GRANTOR shall provide a grant to the GRANTEE up to the sum of \$\_\_\_\_\_, which the GRANTOR shall disburse in accordance with the schedule set forth in Section 6 herein. The GRANTOR shall not be obligated to disburse any grant funds until the GRANTEE complies with all disbursement prerequisites set forth in this Agreement for all or any part of the grant funds.



2. Use of Grant Funds: The GRANTEE shall use the grant for the purpose set forth in:

- a. This Agreement;
- b. The Application; and
- c. The City of Fayetteville Community Safety Micro-Grant Program (hereinafter the "Program"), a copy of which is attached hereto as Exhibit B and incorporated by reference.

The GRANTEE shall ensure that the grant is used for permitted purposes only and shall be responsible for any misuse of grant funds by any of its officers, members, employees, or agents.

3. Micro-Grant Project: Funds may be used to enhance the program delivery as outlined in the organization's accepted micro-grant application.

4. Training Program Commitment/Capacity Building: By accepting this grant, the GRANTEE agrees to send one (1) representative with decision-making power to participate in all required workshops and meetings. Failure to do so may result in disqualification from future funding rounds or repayment of funds.

5. Timing of Grant Usage: The GRANTEE shall accomplish the grant usages specified in Section 2, Use of Grant Funds; all activities must be completed within four (4) months of the undersigned date.

6. Grant Disbursements: Grant disbursements shall be for expenses incurred as set forth in the application only, in the form of GRANTOR checks made payable to the GRANTEE upon presentation of a Form W-9, Request for Taxpayer Identification Number and Certification.

7. Reporting: GRANTEE shall submit to the GRANTOR a closeout report detailing the GRANTEE's use of grant funds and GRANTEE's performance of its other obligations under this Agreement. Such reports, in aggregate, shall account for all the GRANTEE's expenditures of grant funds. GRANTEE shall submit reports on or before the date identified in the Empowering Community Safety Micro-Grant Manual. All reports shall be on a form to be provided or approved by the GRANTOR. GRANTEE's failure to comply strictly with this paragraph shall constitute a default and will make the GRANTEE ineligible for future program activities.

8. City Logo: To identify the GRANTOR as a significant contributor to the GRANTEE's funded project, the GRANTEE may use the GRANTOR's logo on any written materials or publications referencing or advertising the project subject to this Agreement. This includes, without limitation, newsletters and flyers. Notwithstanding the previous, before using the GRANTOR's logo, the GRANTEE shall first submit a draft of the written materials or publications to the Economic and Community Development Director or their designee for approval and written permission to use the GRANTOR's logo.

9. Certificate of Completion: Upon completing this grant program, including attending capacity building workshops and completing the required closeout report, the GRANTOR shall issue a certificate of completion and a letter of recommendation for the organization's use in securing future granting opportunities.

10. Amendment: Prior written approval must be obtained from the GRANTOR before making changes to the approved plan as shown in Exhibit A. Changes shall be mutually agreed upon by the GRANTOR and GRANTEE and shall be incorporated herein by written amendment to this Agreement. It is mutually agreed and understood that no alteration or validation of the terms of this Agreement shall be valid unless made in writing and signed by the Parties hereto, and that any oral understanding or agreements not incorporated herein, unless made in writing and signed by the Parties hereto, shall not be binding.

11. Strict Compliance: Strict compliance by the GRANTEE with all of its obligations imposed by this Agreement is an express condition of the GRANTOR's obligation to make any portion of the grant funds available. No degree of partial performance by the GRANTEE shall deprive the GRANTOR of its right to require complete performance prior to its disbursement of grant funds or the right to recapture. It is also the obligation of the GRANTEE to repay any overpayment of grant funds if assistance is received for the same purpose subsequent to the Agreement.

12. Default: Default on the part of the GRANTEE shall consist of its failure to comply strictly with any obligation that it assumes under this Agreement. Upon default by the GRANTEE, the GRANTOR shall have the right to retain undisbursed grant funds to the GRANTEE or request that any funds that have been disbursed be returned to the GRANTOR. The GRANTEE's failure to cure any default within ten (10) days after the GRANTOR notifies the GRANTEE of such default will give the GRANTOR the right to terminate the Agreement in its entirety. A default by the GRANTEE under this Agreement shall result in the GRANTEE's disqualification from future eligibility under the Community Safety Micro-Grant Program.

13. Assignment: It is the intent of this contract to secure the personal services of GRANTEE and failure of GRANTEE for any reason to make the personal services available to the City of Fayetteville for the purposes described in this contract shall be cause for termination of this contract GRANTEE shall not assign this contract without prior written consent of the GRANTOR.

14. Inspections: The GRANTOR has the right to inspect and monitor any project to ensure compliance with the terms of the Application (Exhibit A) and this Agreement. Provided, however, such inspections shall not create any duty or liability on the part of the GRANTOR, and shall not constitute a waiver of the proper use of funds as set forth in the Application and this Agreement.

15. Compliance with Laws: The GRANTEE agrees to comply with all applicable statutes, ordinances, and regulations of the United States, the State of North Carolina, the City and units of local government.

16. Governing Law: The validity, interpretation, and execution of this Agreement and the performance of and rights accruing under this Agreement are all to be governed by the laws of the State of North Carolina.

17. Termination for Cause: In the event of substantial failure by GRANTEE to perform in accordance with the terms of this contract, the GRANTOR shall have the right to terminate GRANTEE upon ten calendar (10) days written notice in which event GRANTEE

shall have neither the obligation nor the right to perform further services under this contract nor shall the GRANTOR be obligated to make any further payment for work that has not been performed.

18. Termination for Convenience: Upon thirty (30) calendar days' written notice to GRANTEE, the GRANTOR may, without cause and without prejudice to any other right or remedy legally available to the GRANTOR, terminate this contract. Upon such notice, GRANTEE shall have neither the obligation nor the right to perform services under this contract nor shall the GRANTOR be obligated to make any further payment for work that has not been performed in accordance with the terms stated herein. In such case of termination, GRANTEE shall be paid for the completed and accepted work executed in accordance with this contract prior to the written notice of termination. Additionally, upon mutual agreement, GRANTEE may be paid for any completed and accepted work which takes place in order to achieve a specifically identified item in the scope of services or a milestone of the contract, between the written notice of termination and the effective date of termination. Unless otherwise stated or agreed upon, the effective date of termination shall automatically occur 30 days after the written notice is sent by the GRANTOR.

19. Venue and Forum Selection: The Parties expressly agree that if litigation is brought in connection with this Agreement and (1) the litigation proceeds in the Courts of the State of North Carolina, the parties agree that the appropriate venue shall be in Cumberland County (Fourteenth Judicial District of North Carolina); or (2) the litigation proceeds in a federal court, the parties agree that the appropriate venue shall be the United States District Court for the Eastern District of North Carolina.

20. 20. Independent Contractor: Nothing contained in this Agreement is intended to, or shall be construed in any manner, as creating or establishing the relationship of employer/employee between the Parties. The GRANTEE shall at all times remain an "independent contractor" with respect to the services to be performed under this Agreement. The GRANTOR shall be exempt from payment of all Unemployment Compensation, FICA, retirement, life and/or medical insurance and Workers' Compensation Insurance, as the GRANTEE is an independent contractor.

21. Divestment of Companies Boycotting Israel or Invest In Iran Certification: GRANTEE certifies that: (i) it is not identified on the Final Divestment List or any other list of prohibited investments created by the NC State Treasurer pursuant to N.C.G.S. 147-86.58; (ii) it has not been designated by the NC State Treasurer pursuant to N.C.G.S. 147-86.81 as a company engaged in the boycott of Israel ((i) and (ii) to be collectively referred to as "FD Lists"); and (iii) it will not take any action causing it to appear on the Treasurer's FD Lists created by the NC State Treasurer during the term of this Agreement. By signing this Agreement, GRANTEE further agrees, as an independent obligation, separate and apart from this Agreement, to reimburse the GRANTOR for any and all damages, costs and attorneys' fees incurred by the GRANTOR in connection with any claim that this Agreement or any part thereof is void due to GRANTEE appearing on the Treasurer's FD Lists at any time before or during the term of this Agreement.

22. Indemnification: To the extent permitted by law, GRANTEE agrees to defend, indemnify and hold harmless the GRANTOR, its elected officials, employees, agents, successors, and assigns, from any and all liability and claims for any injury or damage caused by any act, omission or negligence of GRANTEE, its agents, servants, employees, contractors, licensees, or

invitees. Indemnification of the GRANTOR by GRANTEE does not constitute a waiver of the GRANTOR's governmental immunity in any respects under North Carolina law.

23. Severability: The parties agree that if any provision of this Agreement shall be held invalid for any reason, the remaining provisions shall not be affected if they may continue to conform to the purposes of this Agreement and the requirements of applicable law.

24. City Terms Supersede: To the extent a conflict exists between the terms of this contract and the terms and conditions in any of the attachments to the contract, the terms of this contract shall govern.

25. Survival of Terms: All warranties, covenants, and representations contained within this contract and all applicable work authorizations, if any, shall continue in full force and effect for three (3) years after the execution and delivery of the final product, act, or service taken in furtherance of this contract. Survivability shall not be impacted, or otherwise shall not be rendered null or void, by the termination or natural expiration of this contract or other applicable work undertaken in furtherance of this contract.

26. E-Verify: GRANTEE acknowledges that "E-Verify" is the federal E-Verify program operated by the US Department of Homeland Security and other federal agencies which is used to verify the work authorization of newly hired employees pursuant to federal law and in accordance with Article 2, Chapter 64 of the North Carolina General Statutes. GRANTEE further acknowledges that all employers, as defined by Article 2, Chapter 64 of the North Carolina General Statutes, must use E-Verify and after hiring an employee to work in the United States, shall verify the work authorization of the employee through E-Verify in accordance with N.C.G.S. § 64-26(a). GRANTEE pledges, attests, and warrants through execution of this contract that [PARTY] complies with the requirements of Article 2 of Chapter 64 of the North Carolina General Statutes and further pledges, attests and warrants that any subcontractors currently employed by or subsequently hired by GRANTEE shall comply with any and all E-Verify requirements. Failure to comply with the above requirements shall be considered a breach of this contract.

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

28. Non-Appropriation: Notwithstanding any other provisions of this contract, the parties agree that payments due hereunder from the GRANTOR are from appropriations and monies from the City Council and any other governmental entities. In the event sufficient appropriations or monies are not made available to the GRANTOR to pay the terms of this contract for any fiscal year, this contract shall terminate immediately without further obligation of GRANTOR.

29. Morality Clause: If, in the sole opinion of the GRANTOR, at any time the GRANTEE or any of its owner(s) or employee(s) or agent(s) (collectively referenced as an

“Actor”) engages in any one or more actions that bring disrepute, contempt, scandal, or public ridicule to the Actor or subject the Actor to prosecution or offend the community or public morals or decency or denigrate individuals or groups in the community served by the GRANTOR or are scandalous or inconsistent with community standards or good citizenship or may adversely affect the GRANTOR’s finances, public standing, image, or reputation or are embarrassing or offensive to the GRANTOR or may reflect unfavorably on the GRANTOR or are derogatory or offensive to one or more employee(s) or customer(s) of the GRANTOR, the GRANTOR may immediately upon written notice to the GRANTEE terminate this Agreement, in addition to any other rights and remedies that the GRANTOR may have hereunder or at law or in equity.

30. Financial Records and Reports: GRANTEES receiving \$5,000 or more shall maintain financial records of economic and community development activities separate and distinct from other services the GRANTEE may provide.

- a. Quarterly financial activity reports shall be submitted for review to the GRANTOR’s Economic & Community Development Director or his/her designee and shall be in such detail as required by the Chief Financial Officer for the GRANTOR to maintain compliance with the fiscal control laws of the State of North Carolina pertaining to local governments, N.C.G.S. § 159-40.
- b. If after a review of the previous quarterly financial report it is determined that expenditures were made which were not in compliance with N.C.G.S. § 159-40, and any other federal, state, or local law policy, or regulation affecting the expenditure of public funds, the amount of these expenditures may either be deducted from the next month’s appropriation or the next month’s appropriation may be withheld, depending upon whichever is recommended by the Economic & Community Development Director.

31. Audit: A GRANTEE receiving over \$5,000 of public funding within a fiscal year, including the amount of grants or loans and the value of any in-kind donations from a local government, the State, or federal government agree that it will provide the GRANTOR with a certified audit, a copy of the management letter, and management’s response to the auditor recommendations, by independent auditors for the prior fiscal year period stated in Paragraph 1 of this Agreement prior to receiving any funds from the GRANTOR. If GRANTOR funds were used during the fiscal year of the audit, the audit will specifically state the purposes for which the GRANTOR funds were used. The audit will specifically describe any exceptions and the amount of the exceptions. If such audit is not available upon the commencement of this Agreement, the audit is due to the GRANTOR no less than one hundred and twenty (120) days after the GRANTEE’s current fiscal year.

- a. If at any time the GRANTOR determines the GRANTEE is not in compliance with either this Agreement or N.C.G.S. § 159-40, or any other federal, state or local law, policy, or regulation affecting the expenditure of public funds, the GRANTEE shall be notified in writing as to the nature of the deficiency. It is the responsibility of the GRANTEE at its expense to rectify and/or reconcile any material deficiencies identified by audit or monthly review of financial activity by the GRANTOR. Failure to cure a material deficiency in compliance with N.C.G.S. § 159-40 or the terms of this

Agreement within thirty (30) days of receipt of a written notice from the GRANTOR shall constitute a default and may be cause for termination of this Agreement.

- b. At any time, the GRANTOR deems it necessary or appropriate, the GRANTEE agrees that an internal audit by the GRANTOR may be made of the GRANTEE books or records to assess the current financial condition of the GRANTEE and compliance with this Agreement.

<SIGNATURE PAGE TO FOLLOW>

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year above written.

**GRANTEE:**

By: \_\_\_\_\_ Date \_\_\_\_\_

**CITY OF FAYTTEVILLE:**

By: \_\_\_\_\_ Date \_\_\_\_\_  
Christopher L. Cauley  
Economic & Community Development Director

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

\_\_\_\_\_  
JEFFREY YATES, Assistant City Manager/  
Interim Chief Financial Officer

ATTEST:

BY: \_\_\_\_\_  
PAMELA J. MEGILL, City Clerk