

REQUEST FOR BOARD ACTION

HENDERSON COUNTY BOARD OF COMMISSIONERS

MEETING DATE: September 17, 2025

SUBJECT: Grant - North Carolina Arts Council Grassroots Arts Program

PRESENTER: Emily Kanipe, Grants Administrator

ATTACHMENTS: Yes

1. Budget Amendment
2. Grant Contract

SUMMARY OF REQUEST:

Attached for the Board's review and approval is a grant contract and related budget amendment for the North Carolina Arts Council's Grassroots Art Program. Henderson County is acting as a pass-through entity for these funds, totaling \$80,837. With the Board's approval, Henderson County will accept the grant funds from the North Carolina Arts Council, serve as a member on the awardee selection committee, draft grant contracts for each awardee and disburse all grant funds to the organizations selected by the committee. The Grant Administrator will ensure subgrantees meet North Carolina Arts Council reporting requirements and submit the grant's final report.

BOARD ACTION REQUESTED:

The Board is requested to consider approving the contract from the North Carolina Arts Council's Grassroots Art Program and the associated budget amendment to act as a pass-through agency for grant funds to be disbursed to selected Henderson County art programs.

Suggested Motion:

I move that the Board of Commissioners approve the grant contract with the North Carolina Arts Council for the Grassroots Art Program and the associated budget amendment as presented.

Department: Finance

Please make the following line-item transfers:

What expense line-item is to be increased?

Account	Line-Item Description	Amount
115402-569900-9108	Payments to Other Agencies	\$80,837
		\$80,837

What expense line-item is to be decreased? Or what additional revenue is now expected?

[illegible]

Justification: *Please provide a brief justification for this line-item transfer request.*

This amendment recognizes grant funding awarded by the NC Arts Council for the Grassroots Arts Program. Henderson County will serve as the grant administrator for these pass-through funds. The grant performance period is July 1, 2025, through July 31, 2026. BOC approved 9.17.25

Authorized by Department Head	9.17.25 Date
Authorized by Budget Office	Date
Authorized by County Manager	Date

For Budget Use Only

Batch # BA _____

Batch _____

Date _____

NORTH CAROLINA ARTS COUNCIL
GRANT CONTRACT
FISCAL YEAR 2025-26

This Contract is hereby entered into by and between the North Carolina Department of Natural and Cultural Resources, North Carolina Arts Council (Agency) and the following Grantee (referred to collectively as the ‘Parties’).

Organization Name:	Henderson County Government		
Address:	1 Historic Courthouse Square		
City, State, Zip:	Hendersonville	NC	28792
Contact Name:	Emily Kanipe		
Contact Email:	ekanipe@hendersoncountync.gov		
Federal Tax ID:	56-6000307		
UEI Number:	Z3TLXJSJGRY9		
Fiscal Year End:	630		

This Contract pertains to the following grant award.

Grant number:	95782
Application number:	Z3TLXJSJGRY9
Grant category:	Grassroots Arts Program
Amount awarded:	\$80,837.00
Grant description (project title):	Arts programs and administrative support

Project period start date:	7/1/2025
Project period end date:	6/30/2026
Final report due date:	7/31/2026
Staff contact:	Janelle Wienke
Revised budget required? (Y/N):	No

Stipulations: N.C. Arts Council staff will attend and assist with FY25-26 Subgrant panel. Grantee must spend at least \$18,191.00 to meet Community Representation requirement.

Grant Funding Source(s) : S

State Funds = S, State ARPA Funds = SA, Federal Funds = F, Federal & State = M, O = Outside source

Federal Funds Award Details
Federal Award Identification Information required by 2CFR 200.332
Federal Award Id Number: 1942631-61-25
Federal Award Date: July 25, 2025
Amount of Federal funds obligated by this action: \$ \$0.00

Federal Award Project Description as required by FFATA: To support arts programs, services and activities associated with carrying out the agency's National Endowment for the Arts-approved strategic plan.

Contact information for awarding official: National Endowment of the Arts, North Carolina Arts Council, Vicki Vitiello, Deputy Director, 4632 Mail Service Center, Raleigh, NC 27699-4632, 919-814-6504, vicki.vitiello@dncr.nc.gov

Assistance Listing Name/Number: Promotion of the Arts Partnership Agreements / 45.025

This award is not R&D.

State ARPA Funds Details

Assistance Listing Name/Number: Coronavirus State Fiscal Recovery Fund / 21.027

This Contract consists of the following components:

1. This general terms and conditions document.
2. The corresponding grant application submitted to the North Carolina Arts Council by the Grantee via GO Smart, which contains the scope of services and budget details.
3. The grantee requirements published on the North Carolina Arts Council website (<https://www.ncarts.org/grants-resources/grants/awardee-contractual-requirements>).
4. Additional required documents uploaded into GO Smart application as per grantee instructions: **NC substitute w9, current Conflict of Interest form on organization letterhead, No Overdue Tax Debt form (notarized), Accessibility Worksheet**. Required forms can be found at [ncarts.org/grants-dashboard](https://www.ncarts.org/grants-dashboard). **Revised budget (if required)** should be updated in GO Smart.

These components constitute the entire agreement between the Parties and supersede all prior oral or written statements or agreements. The awarding of this grant is subject to allocation and appropriation of funds to the Agency for the purposes set forth in the Contract and all its components.

Updates to State Administrative Code

Changes to Chapter [09 NCAC 03M](#) go into effect July 1, 2024. These include:

- 09 NCAC 03M.0205: Entities that meet the threshold for Level II reporting will be required to submit a single audit or program-specific audit. The Level II threshold for state grants is now aligned with [2 CFR 200.501\(a\)](#), which is currently \$750,000 but will rise to \$1,000,000 as of October 1, 2024.
- State agencies are now required to communicate in writing to a grant recipient if that recipient is out of compliance with grant requirements within 30 business days of becoming noncompliant. The grant recipient must respond in writing to the agency's notice of noncompliance.

General Terms and Conditions

DEFINITIONS

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

"Agency" means the North Carolina Arts Council.

"Audit" means an examination of records or financial accounts to verify their accuracy.

"Certification of Compliance" means a report provided by the Agency to the Office of the State Auditor that states that the Grantee has met the reporting requirements established by this Subchapter and included a statement of certification by the Agency and copies of the submitted grantee reporting package.

"Compliance Supplement" refers to the North Carolina State Compliance Supplement, maintained by the State and Local Government Finance Agency within the North Carolina Department of State Treasurer that has been developed in cooperation with agencies to assist the local auditor in identifying program compliance requirements and audit procedures for testing those requirements.

"Contract" means a legal instrument that is used to reflect a relationship between the agency, grantee, and subgrantee.

"Financial Assistance" means assistance that non-State entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance. Financial assistance does not include amounts received as reimbursement for services rendered to individuals for Medicare and Medicaid patient services.

"Financial Statement" means a report providing financial statistics relative to a given part of an organization's operations or status.

"Fiscal Year" means the annual operating year of the non-State entity.

"Grant" means financial assistance provided by a State agency to an eligible grantee to carry out activities identified in the Contract agreement.

"Grantee" means an entity that receives State funds as a grant from a State agency.

"Grantor" means an entity that provides resources, generally financial, to another entity in order to achieve a specified goal or objective.

"Non-State Entity" has the meaning in G.S. 143-C-1-1(d)(18).

"Public Authority" has the meaning in G.S. 159-7(10).

"Single Audit" means an audit that includes an examination of an organization's financial statements, internal controls, and compliance with the requirements of Federal or State awards.

"Special Appropriation" means a legislative act authorizing the expenditure of a designated amount of public funds for a specific purpose.

"State Funds" means any funds appropriated by the North Carolina General Assembly or collected by the State of North Carolina. State funds include Federal financial assistance received by the State and transferred or disbursed to non-State entities. Both Federal and State funds maintain their identity as they are subgranted to other organizations.

"Subgrantee" has the meaning in G.S. 143C-6-23(a)(3).

"Unit of Local Government has the meaning in G.S. 159-7(15).

TERMS AND CONDITIONS

1. **Choice of Law:** The validity of this Contract and any of its terms or provisions, as well as the rights and duties of the Parties to this Contract, are governed by the laws of North Carolina. The Grantee, by signing this Contract, agrees and submits, solely for matters concerning this Contract, to the exclusive jurisdiction of the courts of North Carolina and agrees, solely for such purpose, that the exclusive venue for any legal proceedings shall be Wake County, North Carolina. The place of this Contract and all transactions and agreements relating to it, and their situs and forum, shall be Wake County, North Carolina, where all matters, whether sounding in contract or tort, relating to the validity, construction, interpretation, and enforcement shall be determined.
2. **Independent Contractor:** The Grantee is and shall be deemed to be an independent contractor in the performance of this Contract and as such shall be wholly responsible for the work to be performed and for the supervision of its employees. The Grantee represents that it has, or shall secure at its own expense, all personnel required in performing the services under this agreement. Such employees shall not be employees of, or have any individual contractual relationship with, the Agency.
3. **Key Personnel:** The Grantee shall not substitute key personnel assigned to the performance of this Contract without prior written approval by the Agency's Contract Administrator. The individuals designated as key personnel for purposes of this Contract are those specified in the Grantee's proposal.
4. **Assignment:** No assignment of the Grantee's obligations or the Grantee's right to receive payment hereunder shall be permitted. However, upon written request approved by the issuing purchasing authority, the State may:
 - (a) Forward the Grantee's payment check(s) directly to any person or entity designated by the Grantee, or
 - (b) Include any person or entity designated by Grantee as a joint payee on the Grantee's payment check(s). In no event shall such approval and action obligate the State to anyone other than the Grantee and the Grantee shall remain responsible for fulfillment of all contract obligations.
5. **Beneficiaries:** Except as herein specifically provided otherwise, this Contract shall inure to the benefit of and be binding upon the Parties hereto and their respective successors. It is expressly understood and agreed that the enforcement of the terms and conditions of this Contract, and all rights of action relating to such enforcement, shall be strictly reserved to the Agency and the named Grantee. Nothing contained in this document shall give or allow any claim or right of action whatsoever by any other third person. It is the express intention of the Agency and Grantee that any such person or entity, other than the Agency or the Grantee, receiving services or benefits under this Contract shall be deemed an incidental beneficiary only.
6. **Indemnification:** The Grantee shall hold and save the State, its officers, agents, and employees, harmless from liability of any kind, including all claims and losses accruing or resulting to any other person, firm, or corporation

furnishing or supplying work, services, materials, or supplies in connection with the performance of this Contract, and from any and all claims and losses accruing or resulting to any person, firm, or corporation that may be injured or damaged by the Grantee in the performance of this Contract and that are attributable to the negligence or intentionally tortious acts of the Grantee provided that the Grantee is notified in writing within 30 days that the State has knowledge of such claims. The Grantee represents and warrants that it shall make no claim of any kind or nature against the State's agents who are involved in the delivery or processing of Grantee goods to the State. The representation and warranty in the preceding sentence shall survive the termination or expiration of this Contract.

7. **Termination by Mutual Consent:** The Parties may terminate this Contract by mutual consent with 60 days notice to the other Party, or as otherwise provided by law. In that event, all finished or unfinished deliverable items prepared by the Grantee under this Contract shall, at the option of the Agency, become its property. If the Contract is terminated by the Agency as provided herein, the Grantee shall be paid for services satisfactorily completed, less payment or compensation previously made.
8. **Termination for Cause:** If, through any cause, the Grantee shall fail to fulfill its obligations under this Contract in a timely and proper manner, the Agency shall have the right to terminate this Contract by giving written notice to the Grantee and specifying the effective date thereof. In that event, all finished or unfinished deliverable items prepared by the Grantee under this Contract shall, at the option of the Agency, become its property and the Grantee shall be entitled to receive just and equitable compensation for any satisfactory work completed on such materials, minus any payment or compensation previously made. Notwithstanding the foregoing provision, the Grantee shall not be relieved of liability to the Agency for damages sustained by the Agency by virtue of the Grantee's breach of this agreement, and the Agency may withhold any payment due the Grantee for the purpose of setoff until such time as the exact amount of damages due the Agency from such breach can be determined.

In case of default by the Grantee, the State may procure the services from other sources and hold the Grantee responsible for any excess cost occasioned thereby. The State reserves the right to require a performance bond or other acceptable alternative performance guarantees from successful offeror without expense to the State.

In addition, in the event of default by the Grantee under this Contract, the State may immediately cease doing business with the Grantee, immediately terminate for cause all existing contracts the State has with the Grantee, and de-bar the Grantee from doing future business with the State.

Upon the Grantee filing a petition for bankruptcy or the entering of a judgment of bankruptcy by or against the Grantee, the State may immediately terminate, for cause, this Contract and all other existing contracts the Grantee has with the State, and de-bar the Grantee from doing future business.

9. **Waiver of Default:** Waiver by the Agency of any default or breach in compliance with the terms of this Contract by the Grantee shall not be deemed a waiver of any subsequent default or breach and shall not be construed to be modification of the terms of this Contract unless stated to be such in writing, signed by an authorized representative of the Agency and the Grantee and attached to the Contract.
10. **Availability of Funds:** The Parties to this Contract agree and understand that the payment of the sums specified in this Contract is dependent and contingent upon and subject to the appropriation, allocation, and availability of funds for this purpose to the Agency.
11. **Force Majeure:** Neither Party shall be deemed to be in default of its obligations hereunder if and so long as it is prevented from performing such obligations by any act of war, hostile foreign action, nuclear explosion, riot, strikes, civil insurrection, earthquake, hurricane, tornado, or other catastrophic natural event or act of God.

12. **Survival of Promises:** All promises, requirements, terms, conditions, provisions, representations, guarantees, and warranties contained herein shall survive the Contract expiration or termination date unless specifically provided otherwise herein, or unless superseded by applicable Federal or State statutes of limitation.
13. **Copyrights, Ownership and Licensing of Deliverables:** All deliverable items produced pursuant to this Contract shall be the exclusive property of the Grantee, including all rights, title and interest in the deliverable items, whether they arise in intellectual property or otherwise.

Notwithstanding the foregoing, the Grantee agrees to grant to the Agency, at no charge to the Agency, a non-exclusive, royalty-free, non-transferable, non-assignable license to use, publish, distribute, reproduce, and make derivative works from all deliverable items produced pursuant to this Contract throughout the world, an unlimited number of times, and in any and all media or format, now known or hereafter invented, for any use the Agency deems appropriate and in keeping with the intention of the grant, including, but not limited to, advertising and promotion.

This license is not to be construed as a conveyance or surrender of copyright, trademark, or any other right or interest, based in intellectual property or otherwise, that is or may be vested in the Grantee's ownership of the deliverable items.

Furthermore, the Grantee warrants and represents that the Grantee is the sole owner of all rights, title and interest in all deliverable items produced pursuant to this Contract, including but not limited to, copyright, trademark and any other intellectual property rights, and that this Contract and the rights licensed herein do not violate any other party's rights or interests in intellectual property or otherwise.

In addition, the Grantee agrees not to use the deliverable items in any manner that could be perceived as inflammatory, discriminatory, or violently or sexually suggestive, or to suggest speech on the part of the Agency or the State of North Carolina which would be unlawful by a government agency.

14. **Compliance with Laws:** The Grantee shall comply with all laws, ordinances, codes, rules, regulations, and licensing requirements that are applicable to the conduct of its business, including those of Federal, State, and local agencies having jurisdiction and/or authority.
15. **Equal Employment Opportunity:** The Grantee shall comply with all federal and state laws relating to equal employment opportunity. The Grantee shall take affirmative action in complying with all federal and state requirements concerning fair employment and employment of people with disabilities and concerning the treatment of all employees without regard to discrimination by reason of race, color, religion, sex, national origin, or disability. By signing this Agreement, the Grantee certifies its compliance with Title VI Civil Rights laws, and that it will cooperate in demonstrating compliance as may be required by the US Treasury. Further information on North Carolina's duties may be found in Treasury's implementing regulations, 31 CFR part 22, and the Department of Justice (DOJ) regulations, Coordination of Non-discrimination in Federally Assisted Programs, 28 CFR part 42, provide for the collection of data and information from recipients (see 28 CFR 42.406).
16. **Access to Persons and Records:** The State Auditor shall have access to persons and records as a result of all contracts or grants entered into by State agencies or political subdivisions in accordance with N.C.G.S. 147-64.7. The Grantee shall retain all records for a period of five years following completion of the contract. Additionally, the Agency and the North Carolina Office of State Budget and Management shall have access to persons and records as a result of all contracts or grants entered into by State agencies or political subdivisions.

17. **Record Retention:** Records shall not be destroyed, purged or disposed of without the express written consent of the Agency. State basic records retention policy requires all grant records to be retained for a minimum of five years or until all audit exceptions have been resolved, whichever is longer. If the Contract is subject to Federal policy and regulations, record retention may be longer than five years since records must be retained for a period of three years following submission of the final Federal Financial Status Report, if applicable, or three years following the submission of a revised final Federal Financial Status Report. Also, if any litigation, claim, negotiation, audit, disallowance action, or other action involving this Contract has been started before expiration of the five-year retention period described above, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular five-year period described above, whichever is later.
18. **Amendment:** This Contract may not be amended orally or by performance. Any amendment must be made in written form and executed by duly authorized representatives of the Agency and the Grantee.
19. **Severability:** In the event that a court of competent jurisdiction holds that a provision or requirement of this Contract violates any applicable law, each such provision or requirement shall continue to be enforced to the extent it is not in violation of law or is not otherwise unenforceable and all other provisions and requirements of this Contract shall remain in full force and effect.
20. **Headings:** The Section and Paragraph headings in these General Terms and Conditions are not material parts of the agreement and should not be used to construe the meaning thereof.
21. **Travel Expenses:** Travel expenses shall not be reimbursed in the performance of this Contract. If travel is necessary in the performance of this Contract, it shall be included in the approved project budget and narrative.
22. **Sales/Use Tax Refunds:** If eligible, the Grantee and all subgrantees shall: (a) ask the North Carolina Department of Revenue for a refund of all sales and use taxes paid by them in the performance of this Contract, pursuant to N.C.G.S. 105-164.14; and (b) exclude all refundable sales and use taxes from all reportable expenditures before the expenses are entered in their reimbursement reports.
23. **Entire Agreement:** This Contract and any documents incorporated specifically by reference represent the entire agreement between the Parties and supersede all prior oral or written statements or agreements. This Request for Proposals, any addenda thereto, and the offeror's proposal are incorporated herein by reference as though set forth verbatim. All promises, requirements, terms, conditions, provisions, representations, guarantees, and warranties contained herein shall survive the contract expiration or termination date unless specifically provided otherwise herein, or unless superseded by applicable Federal or State statutes of limitation.
24. **By Executive Order 24**, issued by Governor Perdue, and N.C.G.S. §133-32, it is unlawful for any vendor or contractor (i.e. architect, bidder, contractor, construction manager, design professional, engineer, landlord, offeror, seller, subcontractor, supplier, or vendor) to make gifts or to give favors to any State employee of the Governor's Cabinet Agencies (i.e. Administration, Commerce, Correction, Crime Control and Public Safety, Cultural Resources, Environment and Natural Resources, Health and Human Services, Juvenile Justice and Delinquency Prevention, Revenue, Transportation, and the Office of the Governor). This prohibition covers those vendors and contractors who:
 - (1) have a contract with a government agency; or
 - (2) have performed under such a contract within the past year; or
 - (3) anticipate bidding on such a contract in the future.

For additional information regarding the specific requirements and exemptions, vendors and contractors are encouraged to review Executive Order 24 and G.S. Sec. 133-32.

Executive Order 24 also encouraged and invited other State Agencies to implement the requirements and prohibitions of the Executive Order to their agencies. Vendors and contractors should contact other State Agencies to determine if those agencies have adopted Executive Order 24.

25. **Effective Period:** This Contract shall be effective upon signature by all Parties to this Contract and shall terminate upon final expenditure of all funds and submission of all reports as required by law.
26. **Grantee's Duties:** The Grantee shall complete and return any applicable revised budget page(s) and this Contract.

The Grantee shall carry out the grant project as described in its North Carolina Arts Council grant application containing the scope of project, budget, and project narrative with any applicable stipulation(s); any applicable revised budget page(s). The Grantee shall carry out the grant project in compliance with all parts of this Contract including the attachments for the grant awards and in accordance with applicable State and Federal laws and any local requirements. In addition, the Grantee shall maintain all grant records for a period of five years or until all audit exceptions have been resolved, whichever is longer.

The Grantee shall provide services resulting from the grant to all members of the community served, in compliance with all State and Federal statutes relating to non-discrimination on the basis of race, color, national origin, sex, handicap, or age, which are contained in the Grantee Requirements at ncarts.org/grants-resources/grants/grantee-requirements

The Grantee shall keep Agency staff informed about project activities. For the purposes of on-site monitoring and evaluation by the Agency, tickets and admissions may be made available for attendance at funded performances, exhibitions, and other ticketed events during the grant year.

27. **Agency Duties:** The Agency shall pay the Grantee in the manner and in the amounts specified in the Contract documents under the Payment Provisions section. Contracts shall be paid at the direction of the State Budget Officer. Federally funded grants will be paid one month in advance or on a reimbursement basis. The Agency shall assist the Grantee as appropriate and necessary with the implementation of this project. The Agency shall provide monitoring and oversight through a combination of periodic e-mails, calls, visits, attendance at events, and review of reports.
28. **Matching Requirements of the Grantee:** The Grantee shall match this grant according to the project budget shown in its application or any subsequent revision of that budget approved in writing by the Agency.
29. **Reversion of Unexpended Funds:** Any unexpended grant funds shall revert to the Agency immediately upon determination and no later than May 31 of the project year.
30. **Reporting Requirements:** The Agency has determined that this Contract is subject to the reporting requirements described in the Grantee Requirements.

The Grantee must ensure that when grant funds are audited that they are audited in compliance with State and Federal audit requirements for local governments and public authorities, institutions of higher education, and nonprofit organizations, and, as applicable, according to the standards of the Federal Single Audit Act Amendments of 1996 and Circular A-133 "Audits of States, Local Governments, and Nonprofit Organizations" as supplied by the Executive Office of the President, Office of Management and Budget, Washington, DC.

31. **Payment Provisions:** The Agency will pay organizations with grants at the direction of the State Budget Officer. Current Grantees will not be paid until the Agency has received and approved their final reports for all previous grants. If a prior year report was late, the current fiscal year grant(s) will be paid on a reimbursement basis. All payments are contingent upon fund availability.
32. **Disbursements:** As a condition of this Contract, Grantee acknowledges and agrees to make disbursements in accordance with the following requirements:
- a) Implement adequate internal controls over disbursements;
 - b) Ensure sufficient account coding information to provide for tracking of grant funds through the Grantee's accounting system.
 - c) Assure adequate control of signature stamps/plates;
 - d) Assure adequate control of negotiable instruments; and
 - e) Implement procedures to ensure that account balance is solvent and reconcile the account monthly.
33. **Outsourcing/Assignability/Subcontracting:** The Grantee shall not subcontract any of the work contemplated under this contract without prior written approval from the Agency. The Agency shall not be obligated to pay for any work performed by any unapproved subcontractor or Subgrantee. The Grantee or Subgrantee is not relieved of any of the duties and responsibilities of this Contract. Furthermore, any Subgrantee must agree to abide by the standards contained in this Contract and to provide all information to allow the Grantee to comply with these standards.

[THIS SPACE INTENTIONALLY LEFT BLANK]

34. **Signature Warranty:** The undersigned represent and warrant that they are authorized to bind their principals to the terms of this agreement.

In Witness whereof, the Grantee and the Agency have executed this Contract in duplicate originals, with one original being retained by each party.

Henderson County Government

Name of Organization

Signature of Authorizing Official

Date

John Mitchell

Printed Name

Title

North Carolina Arts Council

Holly Jackson, Director of Operations

Date

Grants Office approval_____