

APRIL 2023

15.957

**EMERGENCY SUPPLEMENTAL HISTORIC PRESERVATION
FUND**

State Project/Program: **EMERGENCY SUPPLEMENTAL HISTORIC PRESERVATION
FUND (ESHPF) GRANT PROGRAM**

U.S. Department of the Interior

National Park Service (NPS)

Federal Authorization: **Authorization:**
National Historic Preservation Act (NHPA), 54 U.S.C 300101 et. sq.
Public Law 116-20 (Additional Supplemental Appropriations for Disaster
Relief Act, 2019)
Robert T. Stafford Disaster Relief and Emergency Assistance Act (42
U.S.C. § 5121 et seq.);
Regulations:
2 CFR 170
2 CFR 175
2 CFR 180 & 1400
2 CFR 182 & 1401
2 CFR 200
2 CFR 200, Subpart E
43 CFR 17
FAR Clause 52.203-12, Paragraphs (a) and (b)
18 U.S.C. § 1913, as amended by Public Law 107-273, Nov. 2, 2002
87 Stat. 252; 42 U.S.C. §§2000d et sec.
87 Stat. 394; 29 U.S.C. §794
89 Stat. 728; 42 U.S.C. §§6101 et sec.
1990 Americans with Disabilities Act (ADA)
Section 504 of the Rehabilitation Act of 1973
Architectural Barriers Act (ABA)
Omnibus Appropriations Act of 2008 (P.L. 110-161)
Executive Order 12432
Executive Order 13513
Executive Order 113858
43 CFR 18 and 31 USC 1352

State Authorization: NCGS 121-8(d) & (e)

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The auditor should not consider the Supplement to be “safe harbor” for identifying audit procedures to apply in a particular engagement, but the auditor should be prepared to justify departures from the suggested procedures. The auditor can consider the supplement a “safe harbor” for identification of compliance requirements to be tested if the auditor performs reasonable procedures to ensure that the requirements in the Supplement are current.

The grantor agency may elect to review audit working papers to determine that audit tests are adequate.

Auditors may request documentation of monitoring visits by the State Agencies.

This compliance supplement must be used in conjunction with the OMB 2023 Compliance Supplement which will be issued in the summer. This includes “Part 3 - Compliance Requirements,” for the types that apply, “Part 6 - Internal Control,” and “Part 4 - Agency Program” requirements if the Agency issued guidance for a specific program. The OMB Compliance Supplement is Section A of the State Compliance Supplement.

I. PROGRAM OBJECTIVES

Provide Emergency Supplemental Historic Preservation Funds (ESHPPF) to State and Tribal Historic Preservation Offices for necessary expenses related to the consequences of hurricanes Florence and Michael and typhoon Yutu provided that such funds are limited to areas that have received a major disaster declaration pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. § 5121 et seq.); including costs necessary to complete compliance activities required by 54 U.S.C. § 306108 [formerly known as Section 106 of the National Historic Preservation Act (NHPA)]; costs needed to administer the program; and costs for the preservation, stabilization, rehabilitation, and repair of historic properties that are listed in, or considered eligible for listing in, the National Register of Historic Places damaged by the above-named storms within such as areas.

II. PROGRAM PROCEDURES

The Office of Archives and History allocated a majority of this one-time funding toward this competitive subgrant program. Eligible recipients of these subgrants include units of local government and non-governmental organizations located in the 61 North Carolina counties that received a major disaster declaration from the named storms that affected the state (Michael and/or Florence). Availability of these funds was promoted through media release, state websites, listserv postings and limited paper mailings. Applications received were scored by a staff team using an evaluation template. Projects as ranked by the NC Historic Preservation Office (HPO) staff committee received peer review from the North Carolina Historical Commission. The Commission made award recommendations to the State Historic Preservation Officer (SHPO). The final award decision was made by the SHPO in his Federal role as outlined in the National Historic Preservation Act. Applications selected for funding approval were submitted to the National Park Service (NPS) for eligibility review. Following final review and approval by NPS, all applicants were notified in writing of the provisional award decisions, contingent upon successful clearance under requirements of the National Environmental Policy Act (NEPA) and Section 106 of the NHPA.

III. COMPLIANCE REQUIREMENTS

Below on the matrix are the types of compliance requirements are applicable to the federal program, noted as “Y,” as determined by the federal granting agency if the federal program is listed in Part 2 of the OMB 2023 Compliance Supplement. A State agency may have added a Type. If the program is not listed in Part 2, the State Agency has determined the applicable Types. If a Type, applicable by OMB, does not apply at the local level or if the State has modified the federal requirements at the local level, this should be explained in the supplement under the Type. A Type that is not applicable at the local level is noted by “N.”

If a particular Type is noted as “Y,” the auditor must determine if the Type has a direct and material effect on the federal program for the auditee. For each Type of compliance requirement, the auditor must use the OMB 2023 Compliance Supplement, Part 3 (which includes generic details about each compliance requirement other than Special Tests and Provisions) and Part 4 (which includes any program-specific requirements) to perform the audit.

A	B	C	E	F	G	H	I	J	L	M	N
Activities Allowed or Unallowed	Allowable Costs/ Cost Principles	Cash Management	Eligibility	Equipment/ Real Property Management	Matching, Level of Effort, Earmarking	Period Of Performance	Procurement Suspension & Debarment	Program Income	Reporting	Subrecipient Monitoring	Special Tests and Provisions
Y	Y	Y	N	N	N	Y	N	N	N	N	Y

A. Activities Allowed or Unallowed

Compliance Requirement - Allowed activities fall within these program areas defined by the NHPA and outlined in the Historic Preservation Fund Grants Manual: Administration, Development/Covenants, National Register, Planning, Review & Compliance, and Survey and Inventory. They must be consistent with 2 CFR 200, the signed grant agreement, the Historic Preservation Fund Grants Manual, and only for activities in the approved application.

Activities not allowed are in the program areas of Acquisition, Local Government Certification, and Preservation Tax Incentives. Complete reconstruction of a destroyed building and costs related to Native American Graves Protection and Repatriation Act (NAGPRA) activities are unallowable.

The State imposed a restriction that applications for Pre-Award Incurrence of Costs would be unallowable (GRANT APPLICATION GUIDE). Once awarded, pre-award costs may be reimbursed upon agency and NPS approval.

Audit Objective – To determine that all expenditures of grant funds are for the purposes stated in the grant application guide, grant application, and grant contract.

Suggested Audit Procedures:

Verify that the expenditure of grant funds is for the purposes stated in the grant contract by examining each expenditure or if there are numerous expenditures, by examining a test sample. If pre-award costs have been reimbursed, verify that there is agency and NPS approval.

B. Allowable Costs/Cost Principles

Compliance Requirement - Federal and local funds may be spent for project expenses that are consistent with 2 CFR 200 and the Historic Preservation Fund Grants Manual, are found in the approved application or any budget revision, and not ruled out as a stipulation in the grant award or grant agreement.

Subrecipients are required to obtain HPO approval of grant project budget revisions.

Audit Objective – To determine that all expenditures of grant funds are for the purposes stated in the grant application guide, grant application, and grant contract.

Suggested Audit Procedures:

Verify that the expenditure of grant funds is for the purposes stated in the grant contract by examining each expenditure or if there are numerous expenditures, by examining a test sample.

C. Cash Management

Compliance Requirement - The HPO requires subrecipients to request grant funds as reimbursement for eligible expenses. Reimbursement requests must be accompanied by documentation of allowable and approved project expenses (e.g., invoices and proof of payment).

Subject to Agency approval, the Agency may upon Grantee request advance the Grantee up to twenty-five percent of the grant funds. After satisfactory documentation of the proper expenditure of this advance, along with the required matching share, the Grantee may request additional advances for up to seventy-five percent of the grant award. The remaining twenty-five percent of grant award will be payable only after satisfactory project completion.

No testing will be required at the local level.

D. Reserve

E. Eligibility

Compliance Requirement - Eligible subrecipients include local governmental units and non-profit organizations. Projects are limited to counties that received a major disaster declaration from the named storms that affected the state (Michael and/or Florence).

No testing will be required at the local level. Eligibility was determined during the grant award process and the auditor is not expected to make tests for eligibility.

F. Equipment and Real Property Management

Compliance Requirement - Equipment items with a unit price above \$5,000 require advance written approval from the HPO and NPS. Subrecipients' program activities are undertaken under subcontract by consultant and construction services, and no Equipment is purchased in-house.

No testing will be required at the local level. The auditor is not expected to test for Equipment and Real Property Management because program staff has already determined that this requirement was met.

G. Matching, Level of Effort, Earmarking

Compliance Requirement - This program does not require any matching funds. The State imposed a requirement that any grant exceeding \$750,000 would require a minimum of a 20% cash match to the portion of grant funding exceeding \$750,000. Any matching funds provided under a particular grant award is specified in the grant agreement and must be reflected in a subrecipient's project budget and on their reimbursement request forms.

No testing will be required at the local level. The auditor is not expected to test for Matching, Level of Effort, Earmarking because program staff has already determined that this requirement was met.

H. Period of Performance

Compliance Requirement - All funds must be expended by December 31, 2024.

Audit Objective – To determine that all grant funds spent during the grant period stated in the grant contract.

Suggested Audit Procedures:

Verify that grant funds were spent during the grant period stated in the grant contract by examining the date of expenditures.

I. Procurement and Suspension and Debarment

Compliance Requirement - Subrecipients shall comply with federal procurement requirements identified in 2 CFR 200 (.318-.326) as well as applicable state and local laws and regulations.

No testing will be required at the local level.

J. Program Income

Compliance Requirement - Subgrants awarded under this grant program do not include program activities that will generate income as defined under 2 CFR 200.80.

No testing will be required at the local level. The auditor is not expected to test for Program Income because program staff has already determined that this requirement was met.

K. Reserve

L. Reporting

Compliance Requirement - Subrecipient reporting requirements are narrative in nature and due dates are specified in the grant agreements. More explicit instructions may be reflected in the grant report form and its instructions provided by the HPO.

No testing will be required at the local level. The auditor is not expected to test for Reporting because program staff already determined that this requirement was met.

M. Subrecipient Monitoring

Compliance Requirement - All subrecipients are monitored on a quarterly basis via a form. Issues, concerns, and questions identified on the form are addressed with the subrecipient. Additional monitoring occurs through technical assistance from HPO staff, desk reviews of reimbursement requests, on-going communication, and on-site reviews.

No testing is required at the local level. No funds are subgranted by subrecipients.

N. Special Tests and Provisions

Compliance Requirement (Wages) – Maximum rates charged to this grant may not exceed 120% of a Federal Civil Service GS-15, step 10 salary per project location. Current regional salary tables can be found on the Office of Personnel and Management website: <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/>.

Audit Objective – To determine whether wages were below the maximum rate allowed.

Suggested audit procedure: For subrecipients and projects with wages funded by this grant, test to determine whether wages were below the maximum rate allowed.

Compliance Requirement (publications/materials) – Subrecipients are required to acknowledge and credit the grant assistance provided by the Historic Preservation Fund and the National Park Service in all publicity and press releases about this project. Funding acknowledgement of grant support from the Historic Preservation Fund of the National Park Service, Department of Interior, must be provided in all deliverables and publications. The following acknowledgement statement must be included when meeting this requirement: “The views and conclusions contained in this document are those of the authors and should not be interpreted as representing the opinions or policies of the U.S. Government. Mention of trade names or commercial products does not constitute their endorsement by the U.S. Government.” Copies of any publications or materials produced under the grant must be submitted to the HPO. These copies are collected throughout the funding period and may be submitted with the final grant report.

No testing will be required at the local level. The auditor is not expected to test for publications/materials Compliance Requirements because program staff has already determined that this requirement was met.