# EXAMPLE 2: **COVERING FUTURE SALARY AND BENEFIT EXPENDITURES**

*In this example, the Town of Tarheel’s total ARP/CSLFRF allocation is $1.3 million. The governing board wants to appropriate the remaining $650,000 to cover salaries and benefits for the upcoming fiscal year—July 1, 2022 through June 30, 2023. (Recall that the local government used the initial $650,000 to reimburse itself for certain departmental salaries and benefits it incurred between March 3, 2021 and March 31, 2022 in Example 1, which is reflected in the sample grant project ordinance.)*

*For this budgeting option, the board wants to appropriate the freed up non-grant revenues immediately to fund new park projects.*

## Sample Grant Project Ordinance

**Grant Project Ordinance for the Town of TarHeel American Rescue Plan Act of 2021: Coronavirus State and Local Fiscal Recovery Funds**

**BE IT ORDAINED** BY THE TOWN COUNCIL OF THE TOWN OF TARHEEL, NORTH CAROLINA, that, pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following grant project ordinance is hereby adopted:

**SECTION 1:** This ordinance is to establish a budget for a project to be funded by the Coronavirus State and Local Fiscal Recovery Funds of H.R. 1319 American Rescue Plan Act of 2021 (ARP/CSLFRF). The Town of TarHeel (Town) has received the first tranche in the amount of $650,000 of CSLFRF funds. The total allocation is $1,300,000, with the remainder to be distributed to the Town approximately 12 months after the first distribution. These funds may be used for the following categories of expenditures, to the extent authorized by state law.

1. Support public health expenditures, by funding COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff;
2. Address negative economic impacts caused by the public health emergency, including economic harms to workers, households, small businesses, impacted industries, and the public sector;
3. Replace lost public sector revenue, using this funding to provide government services to the extent of the reduction in revenue experienced due to the pandemic;
4. Provide premium pay for essential workers, offering additional support to those who have borne and will bear the greatest health risks because of their service in critical infrastructure sectors; and,
5. Invest in water, sewer, and broadband infrastructure, making necessary investments to improve access to clean drinking water, support vital wastewater and stormwater infrastructure, and to expand access to broadband internet.

**SECTION 2:**The Town has elected to take the standard allowance, as authorized by 31 CFR Part 35.6(d)(1) and expend all its ARP/CSLFRF funds for the provision of government services.

**SECTION 3:** The following amounts are appropriate for the project and authorized for expenditure:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Internal Project Code** | **Project Description** | **Expenditure Category (EC)** | **Cost Object** | **Appropriation of ARP/CSLFRF Funds** |
| 001 | Law Enforcement Services for period of March 3, 2021 through March 31, 2022 | 6.1 | Salaries | $260,000 |
| Benefits | $40,000 |
| 002 | Finance Services for period of  March 3, 2021 through March 31, 2022 | 6.1 | Salaries | $140,000 |
| Benefits | $10,000 |
| 003 | Parks & Recreation Services for period of March 3, 2021 through March 31, 2022 | 6.1 | Salaries | $180,000 |
| Benefits | $20,000 |
| 001\* | Law Enforcement Services for period of July 1, 2022 through June 30, 2023 | 6.1 | Salaries | $260,000 |
| Benefits | $40,000 |
| 002\* | Finance Services for period of  July 1, 2022 through June 30, 2023 | 6.1 | Salaries | $140,000 |
| Benefits | $10,000 |
| 003\* | Parks & Recreation Services for period of July 1, 2022 through June 30, 2023 | 6.1 | Salaries | $180,000 |
| Benefits | $20,000 |
|  | **TOTAL** |  |  | **$1,300,000** |

*\*Note that I separated out these appropriations for illustrative purposes only. A local government may combine all appropriations for each department, regardless of time period.*

**SECTION 4:** The following revenues are anticipated to be available to complete the project:

**ARP/CSLFRF Funds:** $1,300,000

**Total:**  **$1,300,000**

**SECTION 5:**The Finance Officer is hereby directed to maintain sufficient specific detailed accounting records to satisfy the requirements of the grantor agency and the grant agreements, including payroll documentation and effort certifications, in accordance with 2 CFR 200.430 & 2 CFR 200.431 and the Town’s Uniform Guidance Allowable Costs and Cost Principles Policy.

**SECTION 6:**The Finance Officer is hereby directed to report the financial status of the project to the governing board on a quarterly basis.

**SECTION 7:** Copies of this grant project ordinance shall be furnished to the Budget Officer, the Finance Officer and to the Clerk to Town Council.

**SECTION 8:**This grant project ordinance is effective as of March 3, 2021, and expires on December 31, 2026, or when all the ARP/CSLFRF funds have been obligated and expended by the Town, whichever occurs sooner.

REQUIRED SIGNATURES HERE

## Sample FY 2022-2023 Annual Budget Ordinance **Before** Amendments (not including ARP/CSLFRF Funds)

**Town of Tarheel, North Carolina**

**Annual Budget Ordinance for Fiscal Year 2022-2023\*\***

BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF TARHEEL, NORTH CAROLINA:

**SECTION 1:** That the following amounts are hereby appropriated for the operations of the Town of Tarheel and its activities for the fiscal year beginning July 1, 2022 and ending on June 30, 2023:

|  |  |  |
| --- | --- | --- |
| **General Fund** | **Department** | **Appropriations** |
|  | Administration | $950,000 |
|  | Town Council | $134,560 |
|  | Law Enforcement | $2,750,000 |
|  | Parks and Recreation | $678,000 |
|  | Planning and Zoning | $434,000 |
|  | Public Works | $1,259,000 |
|  | Fire | $1,900,000 |
|  | Contingency | $125,000 |
|  | **General Fund Total** | **$8,230,560** |

|  |  |  |
| --- | --- | --- |
| **Water & Sewer Fund** | **Department** | **Appropriations** |
|  | Water and Sewer Operating | $6,300,000 |
|  | Water and Sewer Capital | $2,434,000 |
|  | **Water and Sewer Fund Total** | **$8,734,000** |
| **Stormwater Fund** | **Department** | **Appropriations** |
|  | Stormwater Operating | $271,000 |
|  | Stormwater Capital | $311,000 |
|  | **Stormwater Total** | **$582,000** |

**SECTION 2:** That the following amounts are estimated as revenue that will be available during the fiscal year beginning July 1, 2022 and ending June 30, 2023.

|  |  |  |
| --- | --- | --- |
| **General Fund** | **Revenue Source** |  |
|  | State Shared Revenues | $500,000 |
|  | Vehicle Taxes | $290,000 |
|  | Prior Year Property Taxes | $2,500 |
|  | Current Year Property Taxes | $2,800,000 |
|  | Tax Penalties and Interest | $4,000 |
|  | Fire District Taxes | $362,000 |
|  | Local Option Sales and Use Taxes | $3,400,000 |
|  | Fees and Penalties | $265,000 |
|  | Other Revenue | $23,800 |
|  | Appropriated Fund Balance | $583,260 |
|  | **General Fund Total** | **$8,230,560** |

|  |  |  |
| --- | --- | --- |
| **Water & Sewer Fund** | **Revenue Source** |  |
|  | Water Charges | $3,256,000 |
|  | Sewer Charges | $3,213,000 |
|  | Fees and Penalties | $35,000 |
|  | System Development Fees | $2,230,000 |
|  | **Water and Sewer Fund Total** | **$8,734,000** |
| **Stormwater Fund** | **Revenue Source** |  |
|  | Stormwater Charges | $412,000 |
|  | Appropriated Fund Balance | $170,000 |
|  | **Stormwater Total** | **$582,000** |

**SECTION 3:** That $.47 on each $100 valuation of taxable property, as listed for taxes on January 1, 2022, is hereby levied in the General Fund, and that the estimate of $2,800,000 is based on a 98.4 percent collection rate. That a $5.00 per vehicle tax is levied in the General Fund.

**SECTION 4:** The Town of Tarheel Fee Schedule, herein referenced, for the fiscal year beginning July 1, 2022, and ending June 30, 2023, is hereby adopted for this fiscal year.

**SECTION 5:** The Town of Tarheel Position and Classification Plan, herein referenced, for the fiscal year beginning July 1, 2022, and ending June 30, 2023, is hereby adopted for this fiscal year, and shall be administered in accordance with the Town of Tarheel’s Personnel Policy.

**SECTION 6:** Copies of this Budget Ordinance shall be furnished to the Budget Officer and Finance Director to be kept on file by them for their direction in the disbursement of funds.

REQUIRED SIGNATURES HERE

## Sample Grant Project Ordinance Amendments

**Town of Tarheel, North Carolina**

**Amendment to ARP/CSLFRF Grant Projects Ordinance**

BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF TARHEEL, NORTH CAROLINA, that the [need date here] ARP/CSLFRF grant project ordinance is hereby amended as follows:

**SECTION 3:** Transfer $650,000 in ARP/CSLFRF to FY 2022-FY2023 Annual Budget Ordinance

**SECTION 4:** Decrease total ARP/CSLFRF estimated revenues to $650,000

REQUIRED SIGNATURES HERE

## Sample FY 2022-2023 Annual Budget Ordinance as Amended to reflect ARP/CSLFRF Revenues and Additional Appropriations of Non-Grant Funds for Various Park Projects

*The ARP/CSLFRF revenues will cover salaries and benefits in various departments. The supplanted non-grant revenues will cover the new park projects.*

**Town of Tarheel, North Carolina**

**Annual Budget Ordinance for Fiscal Year 2022-2023\*\***

BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF TARHEEL, NORTH CAROLINA:

**SECTION 1:** That the following amounts are hereby appropriated for the operations of the Town of Tarheel and its activities for the fiscal year beginning July 1, 2022 and ending on June 30, 2023:

|  |  |  |
| --- | --- | --- |
| **General Fund** | **Department** | **Appropriations** |
|  | Administration | $950,000 |
|  | Town Council | $134,560 |
|  | Law Enforcement | $2,750,000 |
|  | Parks and Recreation | $1,328,000 |
|  | Planning and Zoning | $434,000 |
|  | Public Works | $1,259,000 |
|  | Fire | $1,900,000 |
|  | Contingency | $125,000 |
|  | **General Fund Total** | **$8,880,560** |

Freed up non-grant revenues are used to fund the new park projects

|  |  |  |
| --- | --- | --- |
| **Water & Sewer Fund** | **Department** | **Appropriations** |
|  | Water and Sewer Operating | $6,300,000 |
|  | Water and Sewer Capital | $2,434,000 |
|  | **Water and Sewer Fund Total** | **$8,734,000** |
| **Stormwater Fund** | **Department** | **Appropriations** |
|  | Stormwater Operating | $271,000 |
|  | Stormwater Capital | $311,000 |
|  | **Stormwater Total** | **$582,000** |

**SECTION 2:** That the following amounts are estimated as revenue that will be available during the fiscal year beginning July 1, 2022 and ending June 30, 2023.

ARP/CSLFRF Funds are used to cover salaries/benefits of employees in the 3 departments

|  |  |  |
| --- | --- | --- |
| **General Fund** | **Revenue Source** |  |
|  | State Shared Revenues | $500,000 |
|  | Vehicle Taxes | $290,000 |
|  | Prior Year Property Taxes | $2,500 |
|  | Current Year Property Taxes | $2,800,000 |
|  | Tax Penalties and Interest | $4,000 |
|  | Fire District Taxes | $362,000 |
|  | Local Option Sales and Use Taxes | $3,400,000 |
|  | Fees and Penalties | $265,000 |
|  | Other Revenue | $23,800 |
|  | Appropriated Fund Balance | $583,260 |
|  | ARP/CSLFRF Grant Funds | $650,000 |
|  | **General Fund Total** | **$8,880,560** |

|  |  |  |
| --- | --- | --- |
| **Water & Sewer Fund** | **Revenue Source** |  |
|  | Water Charges | $3,256,000 |
|  | Sewer Charges | $3,213,000 |
|  | Fees and Penalties | $35,000 |
|  | System Development Fees | $2,230,000 |
|  | **Water and Sewer Fund Total** | **$8,734,000** |
| **Stormwater Fund** | **Revenue Source** |  |
|  | Stormwater Charges | $412,000 |
|  | Appropriated Fund Balance | $170,000 |
|  | **Stormwater Total** | **$582,000** |

**SECTION 3:** That $.47 on each $100 valuation of taxable property, as listed for taxes on January 1, 2022, is hereby levied in the General Fund, and that the estimate of $2,800,000 is based on a 98.4 percent collection rate. That a $5.00 per vehicle tax is levied in the General Fund.

**SECTION 4:** The Town of Tarheel Fee Schedule, herein referenced, for the fiscal year beginning July 1, 2022, and ending June 30, 2023, is hereby adopted for this fiscal year.

**SECTION 5:** The Town of Tarheel Position and Classification Plan, herein referenced, for the fiscal year beginning July 1, 2022, and ending June 30, 2023, is hereby adopted for this fiscal year, and shall be administered in accordance with the Town of Tarheel’s Personnel Policy.

**SECTION 6:** Copies of this Budget Ordinance shall be furnished to the Budget Officer and Finance Director to be kept on file by them for their direction in the disbursement of funds.

REQUIRED SIGNATURES HERE

*\*\*Note that these are over-simplified versions of annual budget ordinances, used for illustrative purposes only.*