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NORTH CAROLINA
Environmental Quality

Memorandum of Record

To: All CDBG-I Funding Applicants and Funding Recipients

From: Eric G. Karis, Program Manager, CDBG-Infrastructure Unit, Division of Water Infrastructure, North Carolina Department of Environmental Quality

Initial
EK

Date: October 20, 2026

References:
Executive Order 12549
Executive Order 12689
§ 2 CFR PART 200 – Uniform Administrative Requirements, Cost Principles, And Audit Requirements For Federal Awards
§ 2 CFR PART 180 – OMB Guidelines to Agencies on Government-Wide Debarment and Suspension (Nonprocurement)
§ 2 CFR PART 25 – Unique Entity Identifier and System for Award Management
§ 2 CFR PART 2424 – Nonprocurement Debarment and Suspension
System for Award Management database: SAM.gov
01 NCAC 05B .1520 Debarment
NC Debarred Vendors: https://www.doa.nc.gov/divisions/purchase-contract/debarred-vendors

Subject: Verify SAM.gov registration for future and current recipients of federal funding

1. Purpose: The purpose of this memorandum is to ensure that CDBG-I Unit receives updated SAM.gov registrations for local government units, grant administrators, consultants, and prime contractors. Previously local governments provided annual debarment certifications to the Division of Water Infrastructure (Division). The date of the memo is the effective date and supersedes all previous debarment certification requirements from Division.

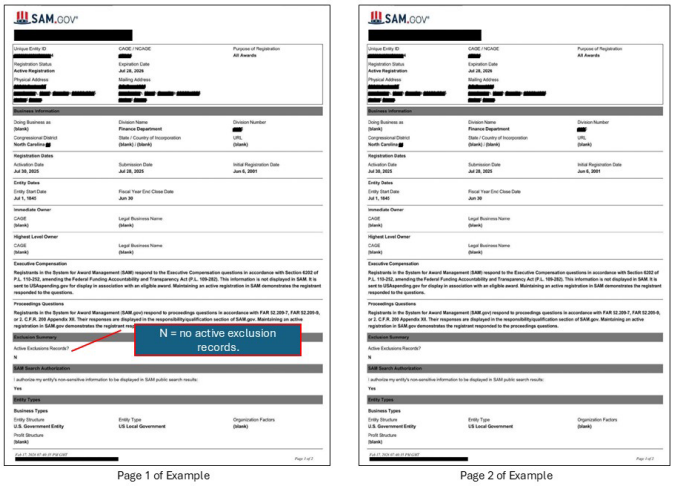
2. Applicability:
   a. This memo applies to both CDBG-I grant program applicants, and CDBG-I grant recipients that have received an award through the State Water Infrastructure Authority. It covers all transactions as defined by § 2424.220.
   b. The following entities must provide SAM.gov documentation, and the applicable attachment:
      i. Local government unit, updated Table 1 (*attachment 1*).
      ii. Engineer Consultant, updated Table 2 (*attachment 1*).
      iii. Grant administrators, updated Table 2 (*attachment 1*).
      iv. Prime Contractor, update Table 3 and provide certifications from suppliers and subcontractors (attachment 2)
   c. All entities listed in paragraph 2.b.i-iv. must have an active, public, SAM.gov registration:
      i. Visit following link for registration: https://sam.gov/entity-registration
      ii. Instructions and guidance are provided at the SAM.gov site on how to register.

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3. The requirement to provide SAM.gov certification from all parties receiving federal funds is yearly and will end when the following two criteria are met:
    a. Final grant closeout report from LGU is received by the Division.
    b. Deobligation of any remaining grant funds to the Division of Water Infrastructure.
        i. Division CDBG-I Unit will issue a Deobligation of Remaining Funds letter.

4. Document and submit eligibility (from SAM.gov) to CDBG-I Unit:
    a. The CDBG-I Unit must receive a pdf downloaded (See Figure 1: Example of SAM.gov documentation) document from SAM.gov that indicates no exclusion with the Unique Entity Identifier (UEI). Ensure the SAM registration is not expired. The local government will maintain a copy and provide the Division with the following SAM.gov verification:
        i. Local government units
            1. Verification provided with application
            2. If awarded provided copy indicating SAM.gov registration is current yearly.
            3. Fill out table 1 from attachment 2.
        ii. Engineer Consultant fills out Table 2 (*attachment 1*).
            1. Provide SAM.gov documentation.
        iii. Grant Administrator fills out Table 2 (*attachment 1*).
            1. Provide SAM.gov documentation.
        iv. Prime Contractor
            1. Provide SAM.gov documentation.
            2. Prime contractor must verify that subcontractor and supplier is not on the SAM.gov exclusion list.
                a. IMPORTANT the subcontractor and supplier do not need to register for SAM.gov.
            3. Prime contractor must verify that subcontractor and supplier is not on the NC Debarment list.
            4. The supplier and subcontractor certify that they are not debarred using *attachment 2* signed by the principal from the subcontractor and supplier from each company.
            5. Fill out table 3 (*attachment 2*).

Example PDF SAM.gov Registration with "No Active Exclusion"



Page 1 of Example Page 2 of Example

Figure 1: Example of SAM.gov documentation

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5. File and Submit SAM.gov and Certifications to CDBG-I Unit.
    a. Utilize *Local Government Debarment Documentation Checklist Community Development Block Grant – Infrastructure (CDBG-I) Grant Contract Provision* (*attachment 2*) and fill out Table 1, Table 2, and Table 3 as required and submit checklist to Division with required debarment verification in paragraph 5.b.
    b. Maintain copies of SAM.gov and Certifications in local file under Federal Compliance Folder.
        i. Maintain copies as follows:
            1. Local Government Unit
            2. Consultant
            3. Grant Administrator
            4. Prime Contractor submits copies of certifications for:
                a. Subcontractors *(attachment 1)*.
                b. Suppliers *(attachment 1)*.
    c. Submit above copies to designated Division CDBG-I Unit Grant Specialist via DWI Laserfiche Portal: https://edocs.deq.nc.gov/Forms/DW-Document-Upload-Form
        i. Submit documents under *CDBG-I* ➔ *Federal Compliance* ➔*Annual Debarment*.

6. Implementation of this memo:
    a. Local Government Units: instead of providing yearly certifications of debarment only. LGUs will provide updated SAM.gov and *attachment 1* per paragraph 6 starting 2027 until this memo is rescinded or updated.
    b. Local Government Units will submit Table 2 and SAM.gov verification for the following entities when memo is issued:
        i. Grant Administrator Firms
        ii. Engineer Consultant Firms
        iii. After initial submission, Grant Administrator Firms and Engineer Consultant Firms will submit SAM.gov and Table 2 verification yearly in June with LGU.
    c. Contractors:
        i. Not in construction: *attachment 2* will begin when the memo is signed for projects that has not entered construction.
        ii. In construction: Projects that will begin and are in construction. The prime contractor for the project will provide *attachment 2* to LGU. Update Table 3, their SAM.gov registration, and subcontractor/supplier certifications and SAM.gov principal check to LGU as part of final start of construction documentation. Update yearly on the last day of June as required.

7. To address debarment and resolve issues refer to specific regulations: 2 CFR §180.720, §180.730, §180.735, §180.745, §180.755, and §180.760.
    a. The CDBG-I Unit cannot resolve either exclusion or debarment recorded in SAM.gov. Per regulation, an entity may contest a suspension by providing information in opposition to the suspension, either orally or in writing, with written submission required for the official record.
    b. If the exclusion is an error submit a correction request through your SAM.gov under the "Help" tab for your account.
        i. Upload supporting documentation such as debarment termination letters, court orders, or proof of identity.
        ii. Receive confirmation with a tracking number, then follow up through the SAM Help portal or Federal Service Desk.

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iii. After review and approved by the Federal Service Desk/OIG, the exclusion status will be updated in SAM.gov

c. For a substantive challenges to actual suspension or debarment actions, 2 CFR §180 establishes a process that is summarized as follows:
   i. Locate the point of contact from agency that issued the exclusion in SAM.gov.
   ii. Contact Debarring Official from the designated agency.
   iii. Submit written statement.
   iv. Agency review. The agency that issued the exclusion will need to review the exclusion.
   v. Appeal. Request review by agency head or General Service Administration (GSA) Suspension and Debarment Division.

Attachments:
(1) *Local Government Debarment Documentation Tables 1-3*
(2) *Contractor and Supplier Certification of Debarment Verification*