I. PROGRAM OBJECTIVES:

Tobacco use is the leading preventable cause of death in North Carolina and the nation. The North Carolina Tobacco Prevention and Control Branch (TPCB), Division of Public Health, works to improve the health of North Carolina residents by building the capacity of diverse
organizations and communities to carry out effective policy, media and program services in four goal areas:

- Goal 1: Prevent Tobacco use Initiation and Promote Quitting Among Youth
- Goal 2: Eliminate Exposure to Environmental Tobacco Smoke
- Goal 3: Promote Quitting Among Adults
- Goal 4: Eliminate Tobacco-Attributable Health Disparities

Priority Policy Initiatives for the 2003-2008 CDC funding:

1) Make all NC schools 100% tobacco free for students, staff, and faculty, campus wide 24 hours-a-day, seven days-a-week;
2) Educate the public and decision-makers about the public health impact of increasing the cigarette tax by 75 cents;
3) Increase workers covered by nonsmoking policies with an emphasis on blue collar and service workers;
4) Increase the percentage of people protected from secondhand smoke by increasing the number of smokefree policies in institutional or government regulated housing and day cares;
5) Provide technical assistance to community groups/decision-makers that want to “chip away” at the barriers presented by NCGA GS Chapter 143 Article 64 595-601. This “dirty air law” Smoking in Public Places requires state buildings to set aside 20% space for smoking and preempts stronger public policy restrictions at the local level.
6) Develop infrastructure and systems support for evidence-based tobacco treatment by increasing the adoption of the DHHS Clinical Practice Guidelines in health systems, by increasing the number of public and private providers that reimburse for cessation services and by leveraging resources to provide, promote and market a proactive full service NC Quitline.

The TPCB budget (2005-2006) includes three different funding sources for a total of $2,740,399.00 as follows:

- $1,607,517 from the Centers for Disease Control and Prevention;
- $ 250,000 from the CDC Quitline Supplement;
- $ 87,290 from the American Legacy Cessation Grant;
- $ 795,592 from the Health and Wellness Trust Fund Grant
$2,740,399 TOTAL

This includes funding from the federal government, a private foundation and the State.

The North Carolina Department of Health and Human Services was awarded a five-year cooperative agreement, CENTERS FOR DISEASE CONTROL AND PREVENTION – INVESTIGATIONS AND TECHNICAL ASSISTANCE (B); a multi-grant for Tobacco, Nutrition and Physical Activity, WiseWoman, Arthritis, BRFSS, and Genomics Programs. The grant award period is June 30, 2003 to June 29, 2008.
During the third year of this cooperative agreement, the Tobacco Prevention and Control Branch is providing funding to 7 local coalitions (health departments.) Each coalition receives a base allocation amount that supports a full time staff person and intervention budget to implement tobacco prevention and control activities at the local level. With this CDC funding the Branch also contracts with North Carolina Prevention Partners, a 501-C-3 organization (Federal Tax # 31-1722051) to implement cessation activities for the State and manage the Quit Now NC website; a personal services contract with Sheryl A. Scott (Scott Consulting) to provide support for the implementation of the Indicator Progress Tracking System Database including analysis, review and interpretation of tobacco prevention and control data; a contract with the University of North Carolina at Chapel Hill (UNC-CH) School of Public Health to support an Epidemiologist staff person housed at the Branch Office; a contract with UNC-CH School of Medicine to implement a secondhand smoke research, education and advocacy program; and Free & Clear, Inc. (Federal Tax ID #20-230180) to provide toll-free, evidence-based, effective and proactive tobacco cessation support services to all residents of North Carolina who want to quit using tobacco.

II. PROGRAM PROCEDURES

Local Health Department Agreements:

- The TPCB provides funds to seven local health departments to carry out community-based tobacco prevention and control projects in the amount of $507,281. The Consolidated Agreement between the Division of Public Health and each local health department is the mechanism for transfer of funds. Budgetary Authorizations provide specific award amounts for each local health department.

- Requirements for the seven local health departments to carry out community-based tobacco prevention and control projects are detailed in the Agreement Addendum which lists program requirements that each health department must achieve in exchange for the funding.

- Each health department must provide the auditor with a copy of the agreement addendum, expenditure reports, and any activity reports for the local tobacco program funding received. If the health department cannot provide these documents, they are available from the Division of Public Health Budget Office or the TPCB office listed above.

- For each local program in the seven counties, funds may be used for salaries/contracts, training, educational materials and resources, travel and the purchase of office equipment, computer hardware and software.

- Funds may not be used for direct services or lobbying.

NC Prevention Partners Contract:

- The TPCB funds NC Prevention Partners through Contract #01456-04 Amendment #4 in the amount of $76,846.00. Requirements are to carry out the tobacco cessation activities in accordance with the terms of the contract and in accordance with the approved budget in Amendment #4.
• NC Prevention Partners must make available all records, papers, vouchers and books correspondence or other documentation or evidence at reasonable times for review inspection or audit by duly authorized officials of the Division, the NC State Auditor or applicable federal agency.

• NC Prevention Partners must email monthly progress reports to the TPCB contracts administrator. The contractor must also submit monthly expense reports to the TPCB for reimbursement. NC Prevention Partners must give the auditor copies of these program and budget reports and any other activity reports for funding received. If the contractor cannot provide these documents, they are available from the Division of Public Health Budget Office and the TPCB office.

• Funds may be used for maintaining management and content for the Quit Now NC website, development and printing materials, surveillance and evaluation, promotion of the Quit Line, administrative costs and salaries.

• Funds may not be used for direct services or lobbying.

**Personal Services Contract with Sheryl A. Scott (Scott Consulting):**

• The TPCB funds Scott Consulting through Personal Services Contract #00790-06 in the amount of $13,952 to provide support for the implementation of the Indicator Progress Tracking System Database including analysis, review and interpretation of tobacco prevention and control data. The detailed Scope of Work and budget are in Attachments 1.

• Scott Consulting must make available all records, papers, vouchers and books correspondence or other documentation or evidence at reasonable times for review inspection or audit by duly authorized officials of the Division, the NC State Auditor or applicable federal agency.

• Scott Consulting must submit monthly expense reports to the TPCB for reimbursement. Scott Consulting must give the auditor copies of these reports and any other activity reports for funding received. If the contractor cannot provide these documents, they are available from the Division of Public Health Budget Office and the TPCB office.

• Funds may be used for salaries, travel, lodging, meals, telephone use, supplies, and materials.

• Funds may not be used for direct services or lobbying.

**Contract with University of North Carolina at Chapel Hill (UNC-CH), School of Public Health:**

• The TPCB funds UNC-CH School of Public Health through Contract # 01556-05 Amendment #3 in the amount of $74,421. Requirements are to fund a TPCB Epidemiologist position housed at the TPCB Raleigh Office. This epidemiologist provides leadership and expertise in epidemiology, program planning, surveillance and evaluation to all TPCB component areas. The detailed Scope of Work and budget are in the contract.
• UNC-CH must make available all records, papers, vouchers and books correspondence or other documentation or evidence at reasonable times for review inspection or audit by duly authorized officials of the Division, the NC State Auditor or applicable federal agency.

• UNC-CH Epidemiologist must enter monthly progress reports into the Indicator Progress Tracking System Database. The contractor must submit monthly expense reports to the TPCB for reimbursement. UNC-CH must give the auditor copies of these program and budget reports and any other activity reports for funding received. If the contractor can not provide these documents, they are available from the Division of Public Health Budget Office and the TPCB office.

• Funds may be used for salaries, travel, lodging, meals, telephone use, supplies, indirect costs and materials.

• Funds may not be used for direct services or lobbying.

**UNC-CH School of Medicine Contract:**

• The TPCB funds the UNC-CH School of Medicine through Contract # 01452-04 Amendment #7 in the amount of $33,425 to continue offering education, training and technical assistance on secondhand smoke to the citizens of North Carolina. The detailed Scope of Work is in the contract and the detailed budget is in Amendment #7.

• UNC-CH must make available all records, papers, vouchers and books correspondence or other documentation or evidence at reasonable times for review inspection or audit by duly authorized officials of the Division, the NC State Auditor or applicable federal agency.

• UNC-CH must send monthly progress reports to the TPCB Contract Administrator for entry into the Indicator Progress Tracking System Database. The contractor must also submit monthly expense reports to the TPCB for reimbursement. UNC-CH must give the auditor copies of these program and budget reports and any other activity reports for funding received. If the contractor can not provide these documents, they are available from the Division of Public Health Budget Office and the TPCB office.

• Funds may be used for salaries, travel, lodging, meals, telephone use, supplies, indirect costs and materials

• Funds may not be used for direct services or lobbying.

**Free & Clear, Inc. Contract:**

• The TPCB funds Free & Clear, Inc. through Contract # 01831-06 in the amount of $270,431 to provide toll-free, evidence-based, effective and proactive tobacco cessation support services to all residents of North Carolina who want to quit using tobacco. The detailed Scope of Work is in Attachment B and the detailed budget is in Attachment C.

• Free & Clear, Inc. must make available all records, papers, vouchers and books correspondence or other documentation or evidence at reasonable times for review
inspection or audit by duly authorized officials of the Division, the NC State Auditor or applicable federal agency.

- Free & Clear, Inc. must send monthly progress reports to the TPCB Contract Administrator for entry into the Indicator Progress Tracking System Database. The contractor must also submit monthly expense reports to the TPCB Contract Administrator for reimbursement. Free & Clear, Inc. must give the auditor copies of these program and budget reports and any other activity reports for funding received. If the contractor can not provide these documents, they are available from the Division of Public Health Budget Office and the TPCB office.

- Funds may be used for all items approved in the detailed budget in Attachment C.

- Funds may not be used for lobbying. Funds may not be used also for the delivery of medical treatment, counseling or therapy in the State of North Carolina.

III. COMPLIANCE REQUIREMENTS

A. Activities Allowed or Disallowed

CDC funds must be used for focused strategies to change systems, develop and implement policies, change the environment in which tobacco use occurs, and impact population groups rather than individuals. Other appropriate uses of funding include:

- Staff salaries, wages and fringe benefits
- Consultant and subcontractor fees and expenses
- Educational and promotional materials
- Education of community leaders and decision makers
- Convening interested groups
- Policy analysis
- Media and marketing costs
- Data acquisition expenses (e.g., database purchase, survey costs) Must be approved by TPCB
- Computer and printer
- Printing
- Office supplies
- Travel in State
- TPCB approved travel to national conferences

If a local health department has other sources of tobacco prevention and control support such as Health and Wellness Trust Fund Commission funding, the health department may not use CDC money to duplicate funding for the same activities or supplant existing funds. Some health departments may be required to include indirect costs in their budgets.
In addition CDC funds cannot be used for:

- capital expenditures
- to supplant funds from federal or State sources
- to provide direct services such as individual and group cessation services, patient care, personal health services, patient rehabilitation or other costs associated with the treatment of disease caused by tobacco use, with the exception of the Free & Clear, Inc. Cessation Quitline Contract services
- equipment expenses over $3,000
- to support or engage in any effort to participate in political activities or lobbying, including but not limited to support of or opposition to candidates, ballot initiatives, referenda and other similar activities
- fund raising
- payment of non-program related debts, fines or penalties
- contributions to a contingency fund
- membership fees
- interest or other financial payments
- travel and meals in excess of the health department or current North Carolina State rates
- cost related to out-of-state travel (unless approved in advance by TPCB)
- replacement of operation funds
- conduct research
- staff time to provide direct classroom instruction of students
- directly enforce tobacco control policies
- any expenditure that may create a conflict of interest or a perception of impropriety

Suggested Audit Procedure

Review the local health departments Consolidated Contract and Agreement Addendum; NC Prevention Partners’ Contract requirements; Scott Consulting Personal Services Contract requirements; UNC-CH School of Public Health’s Contract requirements; UNC-CH School of Medicine’s Contract requirements; Free & Clear, Inc.’s Contract requirements and all expenditure documentation to determine the appropriateness of specific activities paid by these funds.

B. Allowable Costs / Cost Principles

All grantees that expend State funds (including federal funds passed through the N. C. Department of Health and Human Services) are required to comply with the cost principles described in the N. C. Administrative Code at 09 NCAC 03M .0201.
E. Eligibility

CDC funded activities serve groups interested in preventing and eliminating tobacco use across North Carolina with a specific focus on youth, pregnant women, groups experiencing tobacco-related health disparities and tobacco users who want to quit.

Suggested Audit Procedure

Review the local health departments Consolidated Contract and Agreement Addendum; NC Prevention Partners’ Contract requirements; Scott Consulting Personal Services Contract requirements; UNC-CH School of Public Health’s Contract requirements; UNC-CH School of Medicine’s Contract requirements; Free & Clear, Inc.’s Contract requirements and all expenditure documentation to determine if groups targeted for interventions are the actual beneficiaries of the activities.

F. Equipment and Real Property Management

TPCB funds can be used to support staff and for a variety of expenses associated with developing and implementing activities in the approved contracts. Prior approval is required from the TPCB for any equipment and computer purchases.

Suggested Audit Procedure

Review contractors’ files for addition of equipment and Branch approval.

G. Matching, Level of Effort, Earmarking

A 4:1 State match is required for the CDC Funding for fiscal year June 30, 2005 – June 29, 2006. The Health and Wellness Trust Fund Commission as noted in the CDC Cooperative Agreement U58/CCU422824-01 provides this match. No matching funds are required from the agencies with which the State subcontracts.

H. Period of Availability of Federal or State Funds

All funds are allocated to the contractors through the NC Division of Public Health for June 30, 2005-June 29, 2006.

I. Procurement & Suspension & Debarment

All grantees that expend federal funds (received either directly from a federal agency or passed through the N. C. Department of Health and Human Services) are required to conform with federal agency codifications of the grants management common rule accessible on the Internet at http://www.whitehouse.gov/omb/grants/chart.html.

All grantees that expend State funds (including federal funds passed through the N. C. Department of Health and Human Services) are required to comply with the procurement standards described in the North Carolina General Statutes and the North Carolina Administrative Code, which are identified in the State of North
COMPREHENSIVE TOBACCO USE PREVENTION AND CONTROL PROGRAM


Nongovernmental subrecipients shall maintain written Procurement policies that are followed in procuring the goods and services required to administer the program.

L. Reporting

Contractors are required to submit monthly reports directly to the TPCB contract administrators. Local Health Departments also participate in site visits conducted as needed by the TPCB Field Staff. All contractors participate in the TPCB 100% Spending Plan, which stipulates that all funds are to be used in the fiscal year to carry out action plan interventions, and opportunistic activities that are approved by TPCB. Funds, which will not be spent by the end of the contract period, must be identified and reallocated during the TPCB Mid-Year Review.

Suggested Audit Procedure

Review the files (electronic and paper) for evidence of monthly progress reports. Review the hard files for evidence of annual action plans and participation in the TPCB Mid-Year Review.

M. Subrecipient Monitoring

Subrecipient monitoring requirements are detailed in all TPCB Contracts and Agreement Addenda to be conducted by the branch contract administrators and fiscal staff.

Suggested Audit Procedure

Review the local health departments Consolidated Contract and Agreement Addendum; NC Prevention Partners’ Contract requirements; Scott Consulting Personal Services Contract requirements; UNC-CH School of Public Health’s Contract requirements; UNC-CH School of Medicine’s Contract requirements; Free & Clear, Inc.’s Contract requirements for the specific, detailed subrecipient monitoring requirements.

N. Special Tests and Provisions

Consolidated Agreement System

The DHHS Division of Public Health is made up of six major sections: Chronic Disease and Injury Prevention, Epidemiology, Women’s and Children’s Health Services, Oral Health, Local Health Services, and Financial Management and Support Services Sections. The Division utilizes a single written agreement to manage all funds, that is, State, federal, or private grant funds, that the Division allocates to local health departments across the State. This document, as amended, is called The Consolidated Agreement. The Agreement sets forth the more general requirements of the funding relationship between the State and local public health agencies. The respective requirements are detailed under the headings: Responsibilities of the
Department (Local Public Health Unit); Funding Stipulations; Fiscal Control; Personnel Policies; Confidentiality; Civil Rights; Responsibilities of the State; Disbursement of Funds; Amendment of Agreement; Provision of Termination and Compliance. More specific information related to program activity is set out in a document called the Agreement Addenda, which detail requirements, which are negotiable at the beginning of each fiscal year, that each health department must achieve in exchange for the funding. A third part of the system is the Budgetary Authorization which is sent annually from each of the Sections or Branches of the Division to all health departments being allocated funds from specific sources, i.e., State appropriations or other federal grant funds for specific activities. This Estimate indicates the amount of the allocated funds and their respective sources. Each health department should be able to provide an auditor with a copy of the Consolidated Agreement for the particular year being audited, as well as copies of the Budgetary Authorization and any revisions, Agreement Addenda, expenditure reports and any activity reports for each source of money received. If the health department cannot provide these documents, they may contact the State Division of Public Health Budget Office for assistance.

Suggested Audit Procedures:

Review Section B. FUNDING STIPULATIONS of the Consolidated Agreement before beginning an audit. The sixteen items of this Section describe much of the detailed information the auditor may be seeking during a review of these local programs.

Conflicts of Interest and Certification Regarding Overdue Tax Debts

All non-State entities (except those entities subject to the audit and other reporting requirements of the Local Government Commission) that receive, use or expend State funds (including federal funds passed through the N. C. Department of Health and Human Services) are subject to the financial reporting requirements of G. S. 143-6.2 for fiscal years beginning on or after July 1, 2005. These requirements include the submission of a Notarized Conflict of Interest Policy (see G. S. 143-6.2(b1)) and a written statement (if applicable) that the entity does not have any overdue tax debts as defined by G. S. 105-243.1 at the federal, State or local level (see G. S. 143-6.2(b2)). All non-State entities that provide State funding to a non-State entity (except any non-State entity subject to the audit and other reporting requirements of the Local Government Commission) must hold the subgrantee accountable for the legal and appropriate expenditure of those State grant funds.