

FAMILY RESOURCE CENTER GRANT

State Authorization: N.C.G.S. 143-152.10

**N. C. Department of Health and Human Services
Division of Social Services**

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N. C. DHHS Confirmation Reports:

SFY 2009 audit confirmation reports for payments made to Counties, Area Programs, Boards of Education, Councils of Government, District Health Departments, DCD State Level Contractors and HRSA Bioterrorism Grant Sub recipients will be available by around late August to early September at the following web address: <http://www.dhhs.state.nc.us/control/> At this site, page down to “Letters/reports/forms for ALL Agencies” and click on “Audit Confirmation Reports (State Fiscal Year 2008-2009)”. Additionally, audit confirmation reports for Nongovernmental entities receiving financial assistance from the DHHS are found at the same website except select “[Non-Governmental Audit Confirmation Reports \(State Fiscal Years 2007-2009\)](#)”.

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.

I. PROGRAM OBJECTIVES

The objective of the Family Resource Center grant is to provide community-based programs that are available to all citizens. Its main purpose is to help families and communities function more effectively and to meet the needs of the communities. Programs are neighborhood-based, and operate in diverse settings such as non-profit agencies, schools, churches, recreation centers, day-care centers, colleges and universities. Most family support programs are used for service integration at the local level. The main program objectives are:

- 1) Prevent child abuse and neglect.
- 2) Ensure a successful transition from early childhood to adulthood.
- 3) To reduce risk factors in a family and increase protective factors for children and parents.
- 4) Assist families in achieving self-sufficiency.
- 5) Mobilize public and private community resources to help children and families in need.

II. PROGRAM PROCEDURES

The Family Resource Center grants are administered by the North Carolina Department of Health and Human Services, Division of Social Services (DSS). Grants are awarded by the Division of Social Services through a competitive Request for Applications, an assessment of the ability and capacity of the organization to implement community-based programs, and availability of funding. An independent review team is comprised to review and score the

applications. The recommendations of this team are forwarded to the Community Based Program Administrator, Child Welfare Services Section Chief, and to the Director of the Division of Social Services for approval. Once this process is completed, a formal award notification is sent to approved applicants. The Division enters into a contract agreement with each agency to provide allowable services

III. COMPLIANCE REQUIREMENTS

CROSSCUTTING REQUIREMENTS

The compliance requirements in the Division of Social Services “Crosscutting Requirements” in Section D (DSS-0) are applicable to this grant.

1. ACTIVITIES ALLOWED OR UNALLOWED

Compliance Requirement – Services provided by and costs allowable under the Family Resource Center grants are determined by the grantee with the approval of the DSS staff. These authorized services will be documented in the contract narrative and subsequent contract amendments.

Audit Objective – Ascertain whether agency is providing authorized services/activities.

Suggested Audit Procedures – Review the contract documents and any amendments to ascertain which activities/services have been authorized by the Division of Social Services.

2. ALLOWABLE COSTS/COST PRINCIPLES

Counties may claim reimbursement for the following activities:

- Purchase of allowable services;
- Purchase of equipment, and training materials;
- Travel costs to required meetings sponsored by DSS;
- Other services or activities with prior approval from DSS.

Compliance Requirement – The following requirements relate to the grantee’s budget as of the balance sheet date as compared to the budget approved by DSS:

- The total expenditures may not exceed the contracted amount without prior written authorization of DSS.
- No line item will be increased by more than 10% without prior approved budget/contract amendment from the Division of Social Services.

Audit Objective – To determine whether agency has adhered to authorized budgeting practices.

Suggested Audit Procedures

- Review the operating budget approved by DSS and subsequent revisions. Determine that line items are within the amounts budgeted.
- 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.

3. CASH MANAGEMENT

Grantees are reimbursed after expenditure. Therefore, no audit testing is necessary with respect to the federal cash management requirements of Part III of the Circular A-133 Compliance Supplement.

5. ELIGIBILITY

Compliance Requirements – Families in need of support services are eligible for services under the Family Resource Center grant. Determination of need is based upon completion of the Family Support Outcome Scale documents that are maintained in individual case records.

Audit Objective – Determine whether agency is completing authorized eligibility documentation.

Suggested Audit Procedures – Examine sample of Family Support Outcome Scale documents in case records. Ascertain whether agency has completed forms for recipients of program benefits and determined recipients to be eligible for program benefits.

6. EQUIPMENT AND REAL PROPERTY MANAGEMENT

Compliance Requirement – Equipment purchased through Family Resource Center Grant as a direct cost is allowable as long as that equipment is designated for the exclusive use of the Family Resource Center programs. Otherwise, equipment must be cost allocated.

Audit Objective – Determine whether Family Resource Center programs direct charged equipment purchases, or used cost-allocation method. Determine whether purchases met the standards for pre-approval as indicated in contract between DHHS and Family Resource Center.

Suggested Audit Procedure – Verify that no equipment was charged to Family Resource Center Grant without consent of the State Department of Health and Human Services.

7. MATCHING, LEVEL OF EFFORT, EARMARKING

No matching, level of effort, or earmarking is required of the grantees

8. PERIOD OF AVAILABILITY OF STATE FUNDS

Federal funds are available for expenditure by grantees during the State fiscal year (July 1 to June 30).

9. Procurement And Suspension And Debarment

Procurement

All grantees that expend federal funds (received either directly from a federal agency or passed through the NC 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/>. All grantees that expend state funds (including federal funds passed through the NC 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 Carolina agency purchasing manual accessible on the internet at http://www.doa.state.nc.us/pandc/agpurman.htm#p6_65. Nongovernmental subrecipients shall maintain written procurement policies that are followed in procuring the goods and services required to administer the program.

Suspension And Debarment

Compliance Requirement – Non-federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred.

Audit Objective – To determine that no contract was awarded to any party that has been suspended or debarred or whose principals have been suspended or debarred.

Suggested Audit Procedures

1. Test a sample of contracts and ascertain if the required suspension and debarment certifications were received for subawards and covered contracts.
2. Test a sample of contracts to the list of parties excluded from federal procurement or non-procurement programs, issued by the general services administration and ascertain if contracts were awarded to suspended or debarred parties.

10. PROGRAM INCOME

This requirement has not been passed to the subrecipients; therefore additional testing is not required

11. REPORTING

Compliance Requirement – A monthly report of budget expenditures is to be submitted to DSS at the end of each month. All costs are submitted on a DSS 1571. This is covered under the cross-cutting requirements. In conjunction with the monthly report all Family Resource Centers are required to submit data into an on-line (Internet) database on a monthly basis.

Audit Objective – Determine whether agency has adhered to reporting requirements.

Suggested Audit Procedure – Examine monthly reports to determine if they were submitted in a timely manner. Perform annual site visits and annual desk monitoring to ensure that grant funds are spent in accordance with approved purposes.

12. SUBRECIPIENT MONITORING

Grantees frequently contract with subrecipients to provide allowable services.

Compliance Requirement – The Contracting Agency will ensure that all subrecipients of Family Resource Grant allocations will comply with reporting requirements as outlined in the contract between the Family Resource Center Grant recipient and DHHS.

Audit Objective – Determine whether Family Resource Center subrecipients are filing similar reports and statements as required by G.S. 143-6 and the Office of State Auditor’s Audit Advisory #2.

Suggested Audit Procedure –

- Monitor to provide reasonable assurance that the grantee complies with state and federal requirements
- Verify that contract subrecipients are reporting all program and expense information as required.
- Ensure the purchased activity and/or service is being provided in compliance with written agreement and Division policy
- Require grantees to take prompt correct action where areas of non-compliance are found