

MARTIN LUTHER KING JR. COMMISSION
STATE APPROPRIATION

State Authorization: G.S. 143B-426.34A

North Carolina Department of Administration
Human Relations Commission

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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.

I. PROGRAM OBJECTIVES

To encourage appropriate ceremonies and activities throughout the state relating to the observance of the legal holiday honoring Martin Luther King, Jr.’s birthday, to provide advice and assistance to local governments and private organizations across the state with respect to the observance of such holiday, and to promote among the people of North Carolina an awareness and appreciation of the life and work of Martin Luther King, Jr.

II. PROGRAM PROCEDURES

To apply for grant funds, each prospective recipient must submit an application requesting a grant. All applications are received and reviewed by a committee consisting of members of the Martin Luther King, Jr. commission members.

The committee determines who will be awarded grants. The committee also determines the amount of each grant.

Each requesting agency/organization must state how the funds, if granted, will be spent.

Once the committee has approved the applicants, each organization is informed and also is told what the grant amount will be.

A request is then forwarded to the Department of Administration, Fiscal Management, showing agency name, address, and federal identification number. Funds are then advanced to these approved organizations.

III. COMPLIANCE REQUIREMENTS

1. & 2. Activities Allowed or Unallowed and Allowable Cost/Cost Principles

Funds must be expended to comply with the objective. Most expenditures are of an administrative nature such as office supplies, staff cost, and communications relating to the operation of the observance of the birthday of Martin Luther King, Jr.

Suggested Audit Procedure

Verify that expenditures were expended in an administrative nature.

3. Cash Management

All grant funds should be deposited immediately when received and disbursed under an authorized officer's signature.

Suggested Audit Procedure

Review records of deposit to assure compliance. Verify checking accounts and verify authorized persons signature authority.

8. Period of Availability of Federal Funds

All grant funds are appropriated funds and are awarded on a fiscal year basis, July 1 to June 30 of each year. All funds must be expended prior to June 30 of each year.

Suggested Audit Procedure

Audit records to see if grant funds were used during the period of availability.

12. Reporting

Each grantee must file a report to the Human Relations Council twice a year. The first report is due in May of each year and a final report reflecting how the grant funds were expended. The final report is due by July 15 of each year.

Suggested Audit Requirement

Verify that the two required reports were filed as required. Audit to assure that reports agree to accounting records on file. Expenditures must be reconciled to reports.