

NC COMMISSION OF INDIAN AFFAIRS

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NC Department of Administration  
NC Commission of Indian Affairs

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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**

Instill a positive vision for American Indians through preserving cultural identity by promoting and advocating the rights, beliefs and opportunities which impact their quality of life. Increase and maximize educational opportunities for American Indians in NC. Increase the economic self-sufficiency of American Indians in NC and maximize Indian economic development initiatives. Achieve parity in employment for Indian in NC.

## II. PROGRAM PROCEDURES

The Commission grants are a result of special appropriations by the General Assembly to non-profit organizations or pursuant to special purpose grant awards to the Commission. The Commission will contract directly with non-profits and local government units then administer their fiscal utilization of funds and program operations, goals and achievements. Pursuant to special grant funds to the Commission, they will award grants to local civic groups, religious organizations and tribal communities in the implementation of special community projects as a means of achieving the goals and objective of the grant award to the Commission. All funds are advanced on a fixed grant amount based on a proposed budget and program goals and objectives.

## III. COMPLIANCE REQUIREMENTS

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

Program grant funds may only be expended as outlined in grant award proposed budget documents. Funds could be used for salaries, fringe benefits, contract service, training, travel, meeting/conference expenses, office supplies, communications, printing and education expenses so to achieve the contract/award goals and objectives.

Expenditures are reported monthly to the Commission of Indian Affairs. Credit should be given to the North Carolina CIA for any printed materials. Program reports are due by the 15<sup>th</sup> of each month after the close of the quarter. All hours expended in the operation of the program must be documented. Funds may not be expended for loans, mortgage payments, taxes, entertainment costs, or any cost not directly related to the operation of the program.

Grant funds are not to be used for construction, renovations, or the purchase of real property.

#### Suggested Audit Procedure

Verify that funds were expended for services as defined above. Compare expenditures to approved budget per category. Assure records and all documents support expenditures.

### 5. Eligibility

Organizations so noted in the General Assembly Special Appropriation will be the recipient of CIA grant funds. Other non profit and civic group recipients within the tribal communities will be solicited based on specific criteria to employ programs that will achieve the goals and objectives of the grant funding to the CIA.

#### Suggested Audit Procedure

Audit records to assure that required criteria were met. Assure all guidelines were met and correct documentation is a part of the file.

Review personnel policies, procedures, records and client data to determine that there is no evidence of discrimination based on age, sex, race, color, or national origin.

### 8. Period of Availability of Federal Funds

The grants are awarded on a fiscal year basis – July 1 to June 30. All funds not expended at the close of the grant period should be returned to the North Carolina CIA. All outstanding obligations should be liquidated within 90 days after the close of the grant year. Appropriations by the General Assembly each year maybe carry forward each year if approved by State Budget based on fiscal obligations at year end.

#### Suggested Audit Procedure

Analyze program receipts and disbursements to determine if all grant funds were expended, obligated, or returned.

## 12. Reporting

All grantees are required to submit monthly expenditure reports to the grant administrator, Greg Richardson. These reports must reflect all receipts and disbursements in the categories as approved. All reports are due by the 15<sup>th</sup> after the close of each quarter.

### Suggested Audit Procedure

Audit records to assure reports were submitted as required. Verify that expenditures agree to accounting records.

## 14. Special Tests and Provisions

Grantee personnel who spend part of their working hours related to the grant should document the portion of their time chargeable to the grant. The grantee's accounting system should be adequate to account for time involvement and timesheets and payroll records must be maintained appropriately.

### Suggested Audit Procedure

Audit all records of payroll to assure charges are correct.

Review time sheets and payroll records to determine that only time spent on grant activities were charged to the grant.