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HEALTH CENTER PROGRAM (COMMUNITY HEALTH CENTERS, MIGRANT HEALTH CENTERS, HEALTH CARE FOR THE HOMELESS, AND PUBLIC HOUSING PRIMARY CARE)

State Project/Program: NC FARMWORKER HEALTH PROGRAM / FARMWORKER MEDICAL OUTREACH SERVICE

U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Federal Authorization: Public Health Service Act, (42 U.S.C. 254b), Section 330(e), (g), (h), and (i), as amended by sec. 5601 of P.L. 111-148.

**N. C. Department of Health and Human Services
Central Administration
Office of Rural Health**

**Agency Contact Person -
Program:**

Elizabeth Freeman Lambar
(919) 527-6455
Elizabeth.Freeman@dhhs.nc.gov

**Agency Contact Person –
Financial:**

Allison Owen
(919) 527-6447
Allison.Owen@dhhs.nc.gov

N. C. DHHS Confirmation Reports:

SFY 2019 audit confirmation reports for payments made to Counties, Local Management Entities (LMEs), Managed Care Organizations (MCO's), Boards of Education, Councils of Government, District Health Departments and DHHS Grant Subrecipients will be available by mid-October at the following web address: <https://www.ncdhhs.gov/about/administrative-offices/office-controller/audit-confirmation-reports>. At this site, click on the link entitled "Audit Confirmation Reports (State Fiscal Year 2018-2019)". 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 2017-2019)".

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

To increase access to comprehensive primary and preventive health care and improve the health status of underserved and vulnerable populations in the area to be served.

II. PROGRAM PROCEDURES

The NC Farmworker Health Program is administered by the N. C. Department of Health and Human Services, Office of Rural Health (ORH), 2009 Mail Service Center, Raleigh, North Carolina

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27699-2009, (919) 527-6440. Funds are received from the U. S. Department of Health and Human Services, Health Resources and Services Administration.

The ORH, based upon requests submitted by local agencies and approved by ORH, provides grants. An objective review committee consisting of board members of the North Carolina Farmworker Health Program reviews applications for merit and recommends approval or disapproval of full or partial funding. The Director of the ORH makes final decisions. Among the criteria for selection of projects is the relative merit of proposals in light of the Bureau of Primary Health Care's criteria and specific program guidelines, reasonableness and appropriateness of costs, and past performance by an applicant.

Once an applicant is selected, a formal contract is prepared by the ORH. The contract details contractor obligations, the funding schedule, reporting requirements, and audit requirements. The formal contract serves as the grant award notification.

During the contract year (typically April 1 - March 31), NC Farmworker Health Program staff provide on-going technical assistance to the contractors. Technical assistance includes on-site visitation, workshops, and other contacts with the contractors during which program goals are reviewed and evaluation of contractors undertaken. The primary goal of the assistance is to ensure that the most comprehensive medical and enabling services are available for migrant and seasonal farmworkers and their families.

III. COMPLIANCE REQUIREMENTS

A. ACTIVITIES ALLOWED OR UNALLOWED

Funds may be allowed to improve the availability, accessibility, and provision of primary, specialty, dental, behavioral health, and enabling health care services. Funds may not be used for in-patient services or to make cash payments to intended recipients of services. Use of funds for construction of facilities, fundraising, and lobbying are not permitted. ORH is prohibited from using Federal funds to provide abortion services (except in cases of rape or incest, or when the life of the woman would be endangered).

B. ALLOWABLE COSTS/COST PRINCIPLES

Services provided by and costs allowable under an NC Farmworker Health Program grant through the ORH are limited to those activities which were budgeted by the contractor and approved by the ORH.

Compliance Requirement – No line-item may be increased by more than fifteen (15) percent without the written approval of the ORH (NC Farmworker Health Program). This requirement relates to the contractor's expenditures as of the date of the balance sheet compared to the budget approved by the ORH.

Suggested Audit Procedure – Review the contractor's budget as approved by the ORH, including any subsequent amendments. Determine that any revisions exceeding fifteen (15) percent of the budget line-item have been approved in writing.

C. CASH MANAGEMENT

Funds are paid on a contractual basis. Generally, payments are made monthly to reimburse for expenses included in the contract's approved budget. Contractors submit monthly expenditure

reports after the close of each month. However, some contracts have payments in advance based on a signed DHHS Certification of Cash Needs form.

E. ELIGIBILITY

- Applicant eligibility

Any public or nonprofit private entity. Priority will be given to applications submitted by community-based organizations which are representative of the populations served. Profit-making organizations are ineligible.

- Beneficiary eligibility

Migratory agricultural workers, seasonal agricultural workers and members of their families.

H. PERIOD OF PERFORMANCE

All funds must be expended within the contract period specified in the formal notice of grant award.

I. PROCUREMENT AND SUSPENSION AND DEBARMENT

Contractor cannot be suspended or debarred, nor can it make subawards under covered transactions to parties that are suspended or debarred. This rule applies any time the non-Federal entity procures goods or services with funds that have been approved in the budget. Suspension and debarment applies to both procurements and subawards.

L. REPORTING

Recipients are responsible for managing and monitoring each project, program, subaward, function or activity supported by the award. Therefore, contractors are required to submit a series of reports to the NC Farmworker Health Program Coordinator in the ORH. These reports are specified in the contract agreement. Report formats are provided by the ORH and are designed to gather the data for reports required by the federal DHHS. The reports, reporting frequency, and due dates are as follows:

- Weekly data entry into Family Health Administration System Electronic Services (FHASES) database in order for ORH to submit the annual Unified Data System (UDS) report in February. This report provides essential data for reporting directly by the ORH to the Federal DHHS as required by the State's grant agreement with the Federal DHHS.
- Expenditure report by budget line-item is due monthly during the contract period by the 10th day following the month being reported in order to monitor expenditures per the budget of the contract.

M. SUBRECIPIENT MONITORING

Grantees that pass funding through to other entities must perform monitoring activities on each subrecipient to include: reviewing reports submitted by the subrecipient, performing site visits to the subrecipient to review financial and programmatic records and observe operations, reviewing eligibility determinations for enrollees, and reviewing each subrecipient's single audit or program-specific audit results to ensure the subrecipient is in compliance.

Suggested Audit Procedure - Obtain a list of all subrecipients with which the grantee has agreements. Select a sample and verify that all monitoring activities are documented.

N. SPECIAL TESTS AND PROVISIONS

Conflict of Interest and Certification Regarding No Overdue Tax Debt

All non-State entities (except those entities subject to the audit and 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 Uniform Guidance Appendix XI to Part 200. These requirements include the submission of a Notarized Conflict of Interest Policy and a written statement (if applicable) that the entity does not have any overdue tax debts as defined at the federal, State or local level. All non-State entities that provide State funding to a non-State entity (except any non-State entity subject to the audit and reporting requirements of the Local Government Commission) must hold the sub-grantee accountable for the legal and appropriate expenditure of those State grant funds.

Audit Objective – Before receiving and disbursing State funds, determine whether the grantee (1) has adopted a conflict of interest policy and has it on file and (2) whether the grantee has any overdue tax debts at the federal, State or local level.

Suggested Audit Procedures -

1. Ascertain that the grantee has a conflict of interest policy as described above
2. Check the policy and verify through board minutes that the policy was adopted before the grantee received and disbursed State funds
3. Verify as to whether or not the grantee has any overdue tax debts at the federal, State or local level by reviewing tax reports filed with the appropriate government agencies and confirming via an inspection of the accounting records that all taxes were paid timely