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**TRAUMATIC BRAIN INJURY STATE DEMONSTRATION
GRANT PROGRAM**

State Project/Program: **TRAUMATIC BRAIN INJURY SERVICES**

**U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
HEALTH RESOURCES AND SERVICES ADMINISTRATION**

Federal Authorization: Public Health Service Act, Title XII, Section 1252 (42 USC 300d-52), as amended by the Children’s Health Act of 2000, Section 1304, Public Law 104-166, Public Law 106-310, as further amended by the Traumatic Brain Injury Act of 2008, Section 6(a), Public Law 110-206.

**N. C. Department of Health and Human Services
Division of Mental Health, Developmental Disabilities, and Substance Abuse Services**

Agency Contact Person – Program

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N. C. DHHS Confirmation Reports:

SFY 2019 audit confirmation reports for payments made to Counties, Local Management Entities (LMEs), Managed Care Organizations (MCOs), Boards of Education, Councils of Government, District Health Departments and DHSR 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 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

The Implementation Partnership Grants are only awarded to State and Territorial Governments, coming from the State Lead Agency for Traumatic Brain Injury (TBI) within the State, which in NC is the Division of MH/DD/SAS.

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The TBI Program supports projects that:

- Improve access to a neurobehavioral system of care for individuals with TBI and their families.
- Establish innovative programs pertaining to traumatic brain injury.

II. PROGRAM PROCEDURES

The TBI Grant was approved for three years with a yearly reapplication process. The first grant year for this award was June 1, 2018 – May 31, 2019. This grant in all years supports a contract with:

The Brain Injury Association of North Carolina (BIANC):

- Conduct a TBI Needs & Resources Assessment
- Collaborate with partners to increase TBI screening within the DMH/DD/SAS system as well as at a Federally Qualified Health Center (FQHC). Hire a Neuro-Resource Facilitator for technical assistance with the identified pilot screening entities/programs.
- Hire a Training Coordinator, create a statewide training plan for TBI and conduct TBI training on identified topics statewide.
- Strengthen the Information & Referral Process and documentation across the state.

III. COMPLIANCE REQUIREMENTS

Crosscutting Requirements

The DHHS/Division of Mental Health, Developmental Disabilities and Substance Abuse Services (DMH/DD/SAS) mandates that all the testing included within the crosscutting section be performed by the local auditors. Please refer to that section, which is identified as “DMH-0” for those mandated requirements.

A. ACTIVITIES ALLOWED OR UNALLOWED

Funding can be used for capacity building only. Funds may not be used for direct services or to supplement existing services or for prevention.

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. (Note: Pending the change in reference from OMB Circular A-87 to 2 CFR, Part 200 Subpart E – Cost Principles.)

C. CASH MANAGEMENT

These funds are disbursed on a reimbursement basis; therefore, Cash Management should not be tested at the local level.

E. ELIGIBILITY

Providers of TBI services

F. EQUIPMENT AND REAL PROPERTY MANAGEMENT

Equipment Management

This requirement refers to tangible property that has a useful life of more than one year and costs of \$5,000 or more. Such equipment may only be purchased per the conditions of the approved contract or grant agreement. Should the contract be terminated, any equipment purchased under this program shall be returned to the Division.

Real Property Management

This requirement does not apply to DMH/DD/SAS contracts.

G. MATCHING, LEVEL OF EFFORT, EARMARKING

Matching

Brain Injury Association of North Carolina (BIANC) must provide the required in kind match where they are required to provide and expend \$1.00 for every \$2.00 in grant funds that are expended and requested. In kind expenditures are reported monthly to the Division on the Financial Status Report (FSR).

Level of Effort

Level of Effort must be maintained since regulations require the Administration for Community Living (ACL) TBI funds shall be used to supplement and increase the level of State, local and other non-federal funds and shall, in no event, supplant such State, local and other non-federal funds. If ACL TBI funds are reduced, the contractor may reduce its participation in a proportionate manner. Maintenance of Effort is determined at the State level.

Earmarking

Not applicable at the local level. No testing is required.

H. PERIOD OF PERFORMANCE

This requirement does not apply at the local level.

I. PROCUREMENT AND SUSPENSION AND DEBARMENT

Procurement

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/>.

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 Carolina Agency Purchasing Manual accessible on the Internet at

http://www.doa.nc.gov/pandc/documents/Procurement_Manual_5_8_2013_interactive.pdf

Non-governmental subrecipients shall maintain written procurement policies that are followed in procuring the goods and services required to administer the program.

Suspension and Debarment

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All grantees awarded contracts utilizing Federal dollars must be in compliance with the provisions of Executive Order 12549, 45 CFR Part 76 and Executive Order 12689.

J. PROGRAM INCOME

This requirement does not apply.

L. REPORTING

Progress and Financial Reports

- Grantees must provide quarterly and final progress reports. The final progress report must summarize information from the quarterly reports, describe the accomplishments of the project, and describe next steps for implementing plans developed during the grant period.
- Grantees must provide monthly and final financial status reports.
- Funds issued under these awards must be accounted for and reported upon separately from all other grant activities. Grantees must maintain adequate records to track and report on project outcomes and expenditures by budget line item.

M. SUBRECIPIENT MONITORING

Monitoring is required if the agency disburses or transfers any State funds to other organizations, except for the purchase of goods or services, the grantee shall require such organizations to file with it similar reports and statements as required by G. S. §143C-6-22 and 6-23 and the applicable prescribed requirements of the Office of the State Auditor's Audit Advisory #2 (as revised January 2004) including its attachments. If the agency disburses or transfers any pass-through federal funds received from the State to other organizations, the agency shall require such organizations to comply with the applicable requirements of 2 CFR Part 200.331. Accordingly, the agency is responsible for monitoring programmatic and fiscal compliance of subcontractors based on the guidance provided in this compliance supplement and the audit procedures outlined in the DMH-0 Crosscutting Supplement

N. SPECIAL TESTS AND PROVISIONS

All grantees are required to comply with the NC Department of Health and Human Services and DMHDDSAS records retention schedules and policies. These include Functional Schedule for State Agencies, Records Retention and Disposition Schedule – DMH/DD/SAS Local Government Entity (APSM 10-6), Records Retention and Disposition Schedule - DMH/DD/SAS Provider Agency (APSM- 10-5) and the DHHS Records Retention and Disposition Schedule for Grants. Financial records shall be maintained in accordance with established federal and state guidelines.

The records of the contractor shall be accessible for review by the staff of the North Carolina Department of Health and Human Services and the Office of the State Auditor for the purpose of monitoring services rendered, financial audits by third party payers, cost finding, and research and evaluation.

Records shall be retained for a period of three years following the submission of the final Financial Status Report or three years following the submission of a revised final Financial Status Report. Also, if any litigation, claim, negotiation, audit, disallowance action, or other action involving these funds has been started before expiration of the three year retention period, the records must be retained until the completion of the action and resolution of all issues which arise from it, or until the end of the regular three year period, whichever is later.

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The grantee shall not destroy, purge or dispose of records related to these funds without the express written consent of the DHHS/DMH/DD/SAS.

The agency must comply with any additional requirements specified in the contract or to any other performance-based measures or agreements made subsequent to the initiation of the contract including but not limited to findings requiring a plan of correction or remediation in order to bring the program into compliance.

Audit Objectives

- a. To ensure compliance with the DHHS and DMH/DD/SAS records retention schedules and policies.
- b. To ensure compliance with all federal and State policies, laws and rules that pertain to this fund source and/or to the contract/grant agreement.

Suggested Audit Procedures

- a. All grantees are required to comply with the NC Department of Health and Human Services and DMHDDSAS records retention schedules and policies. These include Functional Schedule for State Agencies, Records Retention and Disposition Schedule – DMH/DD/SAS Local Government Entity (APSM 10-6), Records Retention and Disposition Schedule - DMH/DD/SAS Provider Agency (APSM- 10-5) and the DHHS Records Retention and Disposition Schedule for Grants.
- b. Review contract/grant agreement identify any special requirements; and
- c. Verify from the books and records the expenditures reported on the monthly FSR to ensure that the in-kind match requirement was met.
- d. Verify that the Conflict of Interest declaration is signed AND that there is not overdue tax debts at the federal, state or local level as required below.

Conflicts of Interest and Certification Regarding No 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. 143C-6-23 effective July 1, 2007. These requirements include the submission of a Notarized Conflict of Interest Policy (see G. S. 143C-6-23(b)) 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. 143C-6-23(c)).

G. S. 143C-6-23(b) stipulates that every grantee shall file with the State agency disbursing funds to the grantee a copy of that grantee's policy addressing conflicts of interest that may arise involving the grantee's management employees and the members of its board of directors or other governing body. The policy shall address situations in which any of these individuals may directly or indirectly benefit, except as the grantee's employees or members of its board or other governing body, from the grantee's disbursing of State funds, and shall include actions to be taken by the grantee or the individual, or both, to avoid conflicts of interest and the appearance of impropriety. The policy shall be filed before the disbursing State agency may disburse the grant funds.

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

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Commission) must hold the subgrantee accountable for the legal and appropriate expenditure of those State grant funds.