

93.500

PREGNANCY ASSISTANCE FUND PROGRAM (ARRA)

Project/Program:

YOUNG FAMILIES CONNECT: ENGAGING COMMUNITIES

U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Federal Authorization: Office of Adolescent Health

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

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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

Young Families Connect offers support to expectant and/or parenting women and men ages 13-24 years with health maintenance, parenting skills and parental self-sufficiency. Five high need counties receive funding through this grant to provide accessible services that incorporate evidence-based practices and create effective systems of care. This grant also promotes a social marketing campaign.

II. PROGRAM PROCEDURES

The North Carolina Division of Public Health was awarded \$1,500,000 annually from August 1, 2013 – July 31, 2017 to implement Young Families Connect. An RFA process was used

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to initially select five local agencies for funding from 5 eligible high risk counties-Bladen, Onslow, Robeson, Rockingham, and Wayne. The five local agencies were awarded funding for the initial time period of August 1, 2013-July 31, 2016. A subsequent RFA was issued and funds were awarded for the August 1, 2016 – July 31, 2017, August 1, 2017 – July 31, 2018 and August 1, 2018-July 31, 2019 time periods. Currently, Young Families Connect (YFC) contracts are with local communities which include Bladen, Robeson, Rockingham and Wayne counties. Onslow County did not submit an application in response to the previous RFA. Additional contracts were awarded to the University of North Carolina at Chapel Hill (UNC-CH) Sheps Center and to the NC Healthy Start Foundation (NCHSF). In January of 2017, NCHSF terminated their contract and the remaining funds were awarded to the North Carolina at Chapel Hill (UNC-CH) Center for Maternal and Infant Health (CMIH) beginning in April 2017. The Office of Adolescent Health (OAH) approved the competitive application but did not award funding to the North Carolina Division of Public Health for FY19. However, OAH approved a no-cost extension that is effective from August 1, 2017 until December 31, 2017.

The goals of *Young Families Connect* are: 1) increase self-sufficiency, 2) improve health and wellness, and 3) improve parenting skills for expectant and/or parenting women and men ages 13 – 24 years.

Each community will:

- 1) establish and/or expand a Community Advisory Council that will guide their project in implementing an action plan to serve expectant and/or parenting women and men ages 13-24 years old;
- 2) create an integrated system of care in their communities;
- 3) establish through partnership or contractual agreement and funding that support a Preconception Health Peer Educator program (PPEs) at their local community college or 4 year college/university to implement 2 community and 2 campus health and wellness events per year; and
- 4) provide the following services to each participant with: case management; financial assistance with completing GED, continuing education at community college/technical program, assistance with seeking employment; financial assistance and support with medical or dental services for parent or child, childcare and transportation to facilitate attendance at GED/continuing education classes, employment or YFC educational sessions; provision of the Partners for a Healthy Baby parenting classes for 16 participants; utilize the Ready, Set, Plan (RSP) Health and Wellness tool kit to provide eight hours of training sessions and provide four hours of domestic violence prevention education annually.

The Women's Health Branch will provide and coordinate trainings for Young Families Connect local coordinators and case managers along with health care providers and community leaders and coordinate a social marketing campaign related to the six identified maternal health best practice areas in the five project counties.

III. COMPLIANCE REQUIREMENTS

A. ACTIVITIES ALLOWED OR UNALLOWED

Contractors, which include local health departments and private, non-profit organizations, are to complete activities as noted on their contract addenda/scope of work. Each scope of work is different based upon the needs of the specific area served. See individual contract scopes of work.

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.0401.

C. CASH MANAGEMENT

This is a requirement in the Title 2 Code of Federal Regulations, Chapter I, Chapter II, Part 200. However, the State retains responsibility for this requirement and thus chooses not to pass it along to any of its subrecipients.

E. ELIGIBILITY

Contractors must be public or non-profit private institutions from the counties eligible to apply for Young Families Connect funding. Each county must have a Community Advisory Council that meets monthly and includes representation from agencies that promote health maintenance, parenting skills and self-sufficiency for young expectant and/or parenting women and men ages 13-24 years in their community. Each Community Advisory Council must also have two young expectant and parenting women and men ages 13 – 24 years and resides in that community. Local projects may only serve residents of the county where the funded agency is located.

F. EQUIPMENT AND REAL PROPERTY MANAGEMENT

Equipment must be accounted for in accordance with the North Carolina Department of State Treasurer Policies Manual, Chapter 20, Fixed Assets Policy.

Title to equipment costing in excess of \$2,500.00 acquired by the Contractor with funds from this contract shall vest in the contractor, subject to the following conditions.

1. The Contractor shall use the equipment in the project or program for which it was acquired as long as needed. When equipment is no longer needed for the original project or program or if operations are discontinued, the Contractor shall contact the Department of Health and Human Services, Division of Public Health, for written instructions regarding disposition of equipment.
2. When acquiring replacement equipment, the Contractor may use the equipment to be replaced as trade-in against replacement equipment or may sell said equipment and use the proceeds to offset the costs of replacement equipment subject to written approval of the Division of Public Health.
3. For equipment costing in excess of \$2,500.00, equipment controls and procedures shall include at a minimum the following:
 - a) Detailed equipment records shall be maintained which accurately include the:
 - i. Description and location of the equipment, serial number, acquisition date/cost, useful life and depreciation rate;
 - ii. Source/percentage of funding for purchase and restrictions as to use or disposition
 - iii. Disposition data, which includes date of disposal and sales price or method used to determine fair market value.
 - b) Equipment shall be assigned a control number in the accounting records and shall be tagged individually with a permanent identification number.
 - c) Biennially, a physical inventory of equipment shall be taken and results compared to accounting and fixed asset records. Any discrepancy shall immediately be brought to the attention of management and the governing board.

- d) A control system shall be in place to ensure adequate safeguards to prevent loss, damage, or theft of equipment and shall provide for full documentation and investigation of any loss or theft.
 - e) Adequate maintenance procedures shall be implemented to ensure that equipment is maintained in good condition.
 - f) Procedures shall be implemented which ensure that adequate insurance coverage is maintained on all equipment. A review of coverage amounts shall be conducted on a periodic basis, preferably at least annually.
- 4. The Contractor shall ensure all subcontractors are notified of their responsibility to comply with the equipment conditions specified in this section.
 - 5. Prior written approval from Department must be obtained before purchasing equipment valued over \$2,500.00. Institutions of higher education, hospitals, and other non-profit organizations shall use procurement procedures that conform to applicable federal law and regulations and standards identified in 2CFR-Part 200 Uniform Guidance. All non-federal entities shall follow federal laws and implementing regulations applicable to procurements, as noted in federal agency implementation of the A-102 Common Rule and Title 2 Code of Federal Regulations, Chapter I, Chapter II, Part 200.

H. PERIOD OF PERFORMANCE

This is a requirement in the Title 2 Code of Federal Regulations, Chapter I, Chapter II, Part 200 federal supplement. However, the State retains responsibility for this requirement and thus chooses not to pass it along to any of its subrecipients.

I. PROCUREMENT AND SUSPENSION AND DEBARMENT

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 https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl.

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.pandc.nc.gov/documents/Procurement_Manual_5_8_2013_interactive.pdf.

Nongovernmental subrecipients shall maintain written Procurement policies that are followed in procuring the goods and services required to administer the program.

L. REPORTING

Financial Reporting: Monthly expenditure reports (DHHS 2481) are required to be completed for payment. The Contractor shall submit to the Division a monthly reimbursement request and, upon approval by the Division, receive payment within 30 days. The original expenditure report, Form DHHS-2481, shall be submitted to the Division Contract Administrator. The Contractor shall have up to thirty (30) days from last day of contract for close out, completion and submission of the final monthly expenditure report related to this contract period. If this contract is terminated, the Contractor is required to complete a final accounting report and to return any unearned funds to the Division within 60 days of the contract termination date. All payments are contingent upon fund availability.

Performance Reporting: Each contractor will submit a planned scope of work prior to the funded fiscal year. This scope includes a description of activities planned, a number of the anticipated target population, and the anticipated outcomes of the activity. Each contractor submits quarterly reports and an end-of-year report within 30 days following the termination date of contract.

M. SUBRECIPIENT MONITORING

Local health departments and other entities frequently contract with other agencies to provide allowable services. Unless services are obtained on other than fee for service contracts, the Auditor does not need to audit for this requirement. (Reference Section C (1) (c and d) of the Consolidated Agreement between the local health department and the Division of Public Health)

N. SPECIAL TESTS AND PROVISIONS

Conflict 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 for fiscal years beginning on or after 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) completed by the grantee's board of directors or other governing body 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)). 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 Commission) must hold the subgrantee accountable for the legal and appropriate expenditure of those State grant funds.

Suggested Audit Procedures

1. Ascertain that the grantee has a written conflict of interest policy.
2. Check the policy and verify through board minutes that the policy was adopted before the grantee received and disbursed State funds.