

93.297

TEEN PREGNANCY PREVENTION PROGRAM

**State Project/Program: PROJECT REACH: REDEFINING & EMPOWERING
ADOLESCENT AND COMMUNITY HEALTH NC**

**U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
PUBLIC HEALTH SERVICE**

Federal Authorization: Division H, Title II of the Consolidated Appropriations Act, 2014 (Public Law No. 113-76), and the Continuing Resolutions for FY 2015 (Public Law No. 113-164).

State Authorization: N/A

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

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N. C. DHHS Confirmation Reports:

SFY 2020 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 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 2019-2020)”. 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 2018-2020)”.

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.

This compliance supplement should be used in conjunction with the OMB 2020 Compliance Supplement which will be issued in the summer. This includes “Part 3 - Compliance Requirements,” for the types that apply, “Part 6 - Internal Control,” and “Part 4 - Agency Program” requirements if the Agency issued guidance for a specific program. The OMB Compliance Supplement is Section A of the State Compliance Supplement.

I. PROGRAM OBJECTIVES

The purpose of *Project REACH for Adolescents (REACH)* is to improve adolescents' knowledge, attitudes and beliefs regarding sexual health, which will impact adolescent birth rates.

II. PROGRAM PROCEDURES

A five-year cooperative agreement has been awarded by the Office of Adolescent Health (OAH) in the Public Health Service of the U. S. Department of Health and Human Services to the State of North Carolina, Department of Health and Human Services to address pregnancy prevention in teens. The primary goal of this program is to implement evidence-based teen pregnancy prevention programs to scale in selected communities. The selection of the two counties for REACH (Edgecombe and Richmond) was based on five-year average of teen birth rates, lack of teen pregnancy prevention programs, community motivation, capacity of agencies and geographic diversity. A portion of the *REACH* funding will be used to provide training, curricula materials and ongoing technical support to the two counties implementing *REACH*. The evidence-based programs will provide comprehensive sex education to include topics about abstinence, encouraging parent/teen communication, promoting responsible citizenship, and building self-confidence among the adolescent participants. *REACH* is administered by Teen Pregnancy Prevention Initiatives (TPPI) of the North Carolina Department of Health and Human Services.

III. COMPLIANCE REQUIREMENTS

The Type of Compliance Requirements can be found in Section B in the link: [2020 Agency Matrix for Federal Programs](#). This matrix incorporates the OMB Compliance Supplement "Part 2 - Matrix of Compliance Requirement." A State Agency may have added a compliance requirement that the OMB matrix in Part 2 has a "N" (Not Applicable).

A. ACTIVITIES ALLOWED OR UNALLOWED

Funds may be used to provide:

- Costs of personnel, consultants, equipment, supplies, grant-related travel, and other grant-related costs;
- Usual and recognized overhead, including indirect rates for all consortium organizations that have a Federally approved indirect cost rate; and
- Management and oversight of specific project components funded under this program.
- Medically accurate and age appropriate programs that have proven effective through rigorous evaluation to reduce teen pregnancy.

Funds may not be used:

- Restriction on Distribution of Sterile Needles;

- Salary limitation in excess of \$192,300
- To lobby
- For gun control; and
- Not more than 10% is available for program support.

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 .0101.

C. CASH MANAGEMENT

Compliance Requirement

LOCAL HEALTH DEPARTMENT PROJECTS

In accordance with the provisions of the Consolidated Agreement with Local Health Departments/Districts/Public Health Authorities/Human Service Agencies (see Section N for further discussion of the Consolidated Agreement), local agencies report actual expenditures on a monthly basis. Payments are made in the following month based upon the amounts of reported expenditures to the extent that authorization remains. Payments, comprised of both federal and State funds are used to support operating expenses, primarily staff salary and fringe benefits. For a complete discussion of the Consolidated Agreement, see Section N below. (Consolidated Agreement).

Compliance Requirement

PROJECTS NOT BASED IN LOCAL HEALTH DEPARTMENTS

Local agencies are funded on a reimbursement basis and submit monthly expenditure reports. See "L. Reporting."

E. ELIGIBILITY

Only the identified counties (Edgecombe and Richmond) will implement programs under Project REACH.

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; and
 - 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.

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 Title 2 Code of Federal Regulations, Chapter 1, Chapter II, Part 200. All non-federal entities shall follow federal laws and implementing regulations applicable to procurements, as noted in federal agency implementation of Title 2 Code of Federal Regulations, Chapter 1, Chapter II, Part 200.

H. PERIOD OF PERFORMANCE

Compliance Requirement

LOCAL HEALTH DEPARTMENTS

Contract funds may be used to support costs incurred during the funding period. In the case of local health departments, this period is the same as the State fiscal year and the period covered by the Consolidated Agreement, July 1 through June 30. Unobligated, unexpended funds may not be carried forward. Settle-up and final expenditure submission should occur within forty-five days of the end of the contract period, i.e., June 30. (Consolidated Agreement)

Compliance Requirement

PROJECTS NOT BASED IN LOCAL HEALTH DEPARTMENTS

Service agreements executed with non-local health department agencies establish a funding period. Refer to copy of fully executed contract and any amendments affecting contract period. Funds may be used to support costs incurred during the funding period. Settle-up should occur within sixty days following the end of the contract period. (DHHS Agreement)

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

1. Compliance Requirement

LOCAL HEALTH DEPARTMENT PROJECTS

Local agencies are required to submit a Local Expenditure Report. (Consolidated Agreement)

2. Compliance Requirement

PROJECTS NOT BASED IN LOCAL HEALTH DEPARTMENTS

Projects not based in local health departments are required to submit a monthly Expenditure Report. (DPH Contract provision)

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 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 sub grantee accountable for the legal and appropriate expenditure of those State grant funds.

Audit Objective – Determine whether the grantee has adopted and has on file, a conflict of interest policy, before receiving and disbursing State 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.