

90.404

2018 HAVA ELECTION SECURITY GRANTS

State Project/Program: HAVA CARES Act Grant

U.S. Election Assistance Commission

Federal Authorization: Section 101 of the Help America Vote Act of 2002 (P.L. 107-252) (HAVA) and provided for in the CARES Act of 2020 (P.L. 116-136)

State Authorization:

**North Carolina State Board of Elections
Business Operations**

Agency Contact Person – Program and Financial

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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.

This compliance supplement must be used in conjunction with the OMB 2021 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 program objective is to most efficiently and effectively use the election security funding to complement existing efforts to safeguard elections.

II. PROGRAM PROCEDURES

Funding is used to prevent, prepare for, and respond to coronavirus, domestically or internationally, for the 2020 federal election cycle.

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III. COMPLIANCE REQUIREMENTS

Noted below in the following matrix are the types of compliance requirements that are applicable to the federal program. These Types are determined by the federal agency, noted as “Y,” on the “Matrix of Compliance Requirements” located in Part 2 of the OMB 2021 Compliance Supplement; however, the State Agency may have added the Type and this is noted by “Y.” If the State determines that the federal requirement does not apply at the local level or if the State modifies the federal requirements, this is noted in the supplement under the type of compliance requirement. If the federal and/or State agencies have determined that the type is not applicable, it is noted by “N.”

If the Matrix indicates “Y,” the auditor must determine if a particular type of compliance requirement has a direct and material effect on the federal program for the auditee. For each such compliance requirement subject to the audit, the auditor must use the OMB 2021 Compliance Supplement, Part 3 (which includes generic details about each compliance requirement other than Special Tests and Provisions) and Part 4 (which includes any program-specific requirements) to perform the audit.

If there is no program listed on the “Matrix” in Part 2 or Part 4, the State has determined the Type that is applicable. If a Type is determined direct and material, the auditor should refer to the requirements found in Part 3 and listed in this supplement.

A	B	C	E	F	G	H	I	J	L	M	N
Activities Allowed or Unallowed	Allowable Costs/ Cost Principles	Cash Management	Eligibility	Equipment/ Real Property Management	Matching, Level of Effort, Earmarking	Period Of Performance	Procurement Suspension & Debarment	Program Income	Reporting	Subrecipient Monitoring	Special Tests and Provisions
Y	Y	Y	N	Y	N	Y	Y	N	Y	N	Y

A. Activities Allowed or Unallowed

Activities allowed must comply with the requirements of the Help America Vote Act, Section 101.

B. Allowable Costs/Cost Principles

2 C.F.R. §200, Subpart E Cost Principles is not applicable

C. Cash Management

2 C.F.R. §200.302, §200.303, §200.305 applies

D. Reserve (Not Applicable)

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- E. Eligibility
Elections administration agencies for state and U.S. territories, eligible to provide subgrants to local government election administration agencies. No testing at local level

- F. Equipment and Real Property Management
Purchase of equipment is allowed 2 CFR §200.313

- G. Matching, Level of Effort, Earmarking
State matching funds required, no testing at local level

- H. Period of Performance
Each grant has a defined period of performance

- I. Procurement and Suspension and Debarment
Procurement and Suspension and Debarment restrictions apply. 2 CFR §§200.317 - 323 and NC G.S. §143 Article 3, Purchases and Contracts

- J. Program Income
Grants allow recipients to earn program income, though North Carolina does not generate program income from grant-funded goods or services. No testing at local level

- K. Reserve (Not Applicable)

- L. Reporting
Reports required semi-annually. NC SBE requires subrecipients to submit receipts and other proof of compliance.

- M. Subrecipient Monitoring
Subrecipient monitoring by the State is required. NC SBE requires subrecipients to submit receipts and other proof of compliance. No testing at the local level

- N. Special Tests and Provisions
Subgrants were authorized by the NC General Assembly, which included some restricted purposes. See S.L. 2020-17, sections 11.1 thru 11.3.