

21.019

CORNOVIRUS RELIEF FUND

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**State Project/Program: COVID RELEIF FUND**

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**Department of the Treasury**

**Federal Authorization:** Coronavirus Aid, relief, and Economic Security (CARES) Act (P.L. No. 116-136), passed by US Congress March 2020

**State Authorization:** Session Law 2020-80 House Bill 1023, Session Law 2020-4 House Bill 1043, Session Law 2020-97 House Bill 1105, Session Law 2021-25 House Bill 172

**NC Office of State Budget and Management  
Division of Social Services**

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**Address Confirmation Letters To:**

SFY 2022 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 2021-2022). 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 2020-2022)”

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 2022 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 NC General Assembly finds that State government must serve as a facilitator in assisting local governments, communities, families, workers and other individuals, and businesses in accessing federal relief and recovery funds related to the COVID-19 pandemic. Funds have been allocated to various areas within NC State government to fulfill the General Assembly's constitutional duty to appropriate all funds, including federal funds appropriated or otherwise made available under the COVID-19 Recovery Legislation, and to direct the use of those funds in a manner that is consistent with the authorizing federal legislation and that responsibly provides for the public health and economic well-being of the State.

Funds were issued in the Division of Social Services for:

LINKS-The Consolidated Appropriation Act, Public Law 116-260 was signed into law on December 27, 2020, providing supplemental appropriations and temporary provisions for the LINKS program, a foster care support program for youth ages 14-21 years and extended foster care services.

These provisions that expired on September 30, 2021, included temporary suspension of aging out of foster care and permitting re-entry of youth who have left foster. Temporary suspension of age, education and employment requirements for the IV-E foster care maintenance payments and notice to youth and young adults and public awareness campaign.

North Carolina Chafee funding was used to provide services and assistance to otherwise eligible youth or young adults who experienced foster care at age 14 or older and has not yet attained age 27. Chafee funding may be used for room and board amounts for otherwise eligible youth who experienced foster care at age 14 or older and who are now age 18-26.

The COVID-19 Chafee allotment under this act is \$9,042,878.00 allocated as follows: a. The maximum ETV award amount increases from \$5000 to \$12,000 maximum award amount, and are based on students' total cost of attendance, as defined in section 472 of Higher education and vocational training. a. \$250,000 for LINKS Transitional Living Services. b. \$40,000 for LINKS Transitional Housing. HB 196 Section 1.1(29).

### II. PROGRAM PROCEDURES

Program procedures are described in the following dear County Director Letters:

09/10/2021 Time Limited Flexibility for the use of Supplemental Chafee (LINKS) Funding

09/17/2021 Time Limited Flexibility for use of Supplemental Chafee (LINKS) Funding

### 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."

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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 2022 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.

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	N	N	N	N	Y	N	N	Y	Y	N

### A. Activities Allowed or Unallowed

Allowed activities are described in the following Dear County Director letters:

09/10/2021 Time Limited Flexibility for the use of Supplemental Chafee (LINKS) Funding

09/17/2021 Time Limited Flexibility for use of Supplemental Chafee (LINKS) Funding

### H. Period of Performance

LINKS- Funds made available from April 1, 2021, through September 30, 2022.

### L. Reporting

LINKS- Counties are required to submit a request for reimbursement of funds for housing and transitional living funds using a Request for Reimbursement LINKS form.

Counties also required to submit a Request for Payment of Time-Limited Supplemental Form and a financial obligation for funds allocated by September 30, 2021. These forms were used to process county request for the one-time unrestricted payments to eligible young adults.

Compliance requirement: Financial payments were processed according to individual county requests for reimbursement.

Audit Objective: Determine the correct payment amounts were processed and reported.

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Audit Procedure: Transitional and Housing Reimbursement Request: Review LINKS COVID Reimbursement forms for service periods of March 2021 to September 2022 and reconcile to IND LIV LINKS COVID-19 on Electronic Funds Transfer documents. Assure COVID payments were not reported on Electronic Funds Transfer documents as IND LIV LINKS TRANSITIONAL or IND LIV LINKS HOUSING.

Payment of One-Time-Unrestricted Payment of LINKS Funds: Review LINKS COVID Reimbursement Forms for Payment of Time-Limited Supplemental LINKS Funds and reconcile with check requisitions and purchase orders, etc. of allocated funds and Electronic Funds Transfer documents.

### **M. Subrecipient Monitoring**

Not applicable at the local level, no testing required.