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HEALTH CENTER PROGRAM (COMMUNITY HEALTH CENTERS, MIGRANT HEALTH CENTERS, HEALTH CARE FOR THE HOMELESS, AND PUBLIC HOUSING PRIMARY CARE)

State Project/Program: NC FARMWORKER HEALTH PROGRAM / FARMWORKER MEDICAL OUTREACH SERVICE

US DEPARTMENT OF HEALTH AND HUMAN SERVICES

Federal Authorization: Public Health Service Act, (42 U.S.C. 254b), Section 330(e), (g), (h), and (i), as amended by sec. 5601 of P.L. 111-148. American Rescue Plan Act (P.L. 117-2), American Rescue Plan Act State Fiscal Recovery Funds N.C Session Law 2021-180 requirements detailed in the U.S Treasury Final Rule, Public Health Service Act section 402(n) [42 USC 282(n)]

**Department of Health and Human Services
Central Administration/ Office of Rural Health**

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SFY 2024 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 2023-2024)”. 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”.

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 2024 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

To increase access to comprehensive primary and preventive health care and improve the health status of underserved and vulnerable populations in the area to be served.

II. PROGRAM PROCEDURES

The NC Farmworker Health Program is administered by the N. C. Department of Health and Human Services, Office of Rural Health (ORH), 2009 Mail Service Center, Raleigh, North Carolina 27699-2009, (919) 527-6440. Funds are received from the U.S. Department of Health and Human Services, Health Resources and Services Administration (HRSA).

The ORH, based upon requests submitted by local agencies and approved by ORH, provides grants. An objective review committee consisting of Co-Applicant Governing Board members of the North Carolina Farmworker Health Program reviews applications for merit and recommends approval or disapproval of full or partial funding. The Director of the ORH makes final decisions. Among the criteria for selection of projects is the relative merit of proposals in light of the Bureau of Primary Health Care's criteria and specific program guidelines, reasonableness and appropriateness of costs, and past performance by an applicant.

Once an applicant is selected, a formal contract is prepared by the ORH. The contract details contractor obligations, the funding schedule, reporting requirements, and audit requirements. The formal contract serves as the grant award notification.

During the contract year (typically April 1 - March 31), NC Farmworker Health Program staff provide on-going technical assistance to the contractors. Technical assistance includes on-site visitation, workshops, and other contacts with the contractors during which program goals are reviewed and evaluation of contractors undertaken. The primary goal of the assistance is to ensure that the most comprehensive services are available for migrant and seasonal farmworkers and their families.

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 2024 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 2024 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	Y	N	N	Y	Y	N	Y	Y	Y

A. Activities Allowed or Unallowed

Funds may be allowed to improve the availability, accessibility, and provision of primary, specialty, dental, behavioral health, and enabling health care services. ORH abides by the Legislative Mandates in Grants Management for FY 2023 listed in HRSA’s External Grants Policy Bulletin, Bulletin Number 2023-02E, that outlines the limitations of the use of funds for HRSA grants.

American Rescue Plan Act Funding for Health Centers: American Rescue Plan Act (P.L. 117-2)

Funding may be used to plan, prepare for, promote, distribute, administer, and track COVID–19 vaccines, and carry out other vaccine-related activities; Detect, diagnose, trace, and monitor COVID–19 infections and related activities necessary to mitigate the spread of COVID–19, including activities related to, and equipment or supplies purchased for, testing, contact tracing, surveillance, mitigation, and treatment of COVID-19; Purchase equipment and supplies to conduct mobile testing or vaccinations for COVID–19, purchase and maintain mobile vehicles and equipment to conduct such testing or vaccinations, and hire and train laboratory personnel and other staff to conduct such mobile testing or vaccinations, particularly in medically underserved areas; Establish, expand, and sustain the health care workforce to prevent, prepare for, and respond to COVID–19, and to carry out other health work force-related activities; Modify, enhance, and expand health care services and infrastructure; and Conduct community outreach and education activities related to COVID–19.

Health Center Infrastructure Support: American Rescue Plan Act (P.L. 117-2) Section 2601 and Public Health Service Act (41 USC 254b)

Funding may be used to support construction, expansion, alteration, renovation, and other capital improvements to modify, enhance, and expand health care infrastructure.

FY 2023 Bridge Access Program: American Rescue Plan Act (P.L. 117-2)

Funding may support the following allowable activities: COVID-19 testing, vaccination, and therapeutics, enabling/patient support services, community COVID-19 vaccination events, personnel who support COVID-19 related services and care delivery, and supplies that support COVID-19 related services and care delivery.

Fiscal Year 2023 Capital Assistance for Hurricane Response and Recovery Efforts (CARE): Public Health Service Act, (42 U.S.C. 254b), Section 330(e), (g), (h), and (i), as amended by sec. 5601 of P.L. 111-148. This funding provides capital-related resources for health centers to support alteration, renovation, construction, equipment, and other capital improvement costs as necessary to meet the needs of areas affected by Hurricanes Fiona and Ian.

FY 2023 Expanding COVID-19 Vaccination: Paycheck Protection Program and Health Care Enhancement Act, Public Health and Social Services Emergency Fund (P.L. 116-139) Funding supports health centers to increase access to, confidence in, and demand for updated COVID-19 vaccines within their service areas, with an emphasis on activities in the first 3 months of award.

Office of Digital Equity and Inclusion: American Rescue Plan Act State Fiscal Recovery Funds N.C Session Law 2021-180 requirements detailed in the U.S Treasury Final Rule. Funding is to increase digital skills, training and affordable internet to specific rural populations.

National Institutes of Health Community Partnership to Advance Science for Society (COMPASS) Program: Community-Led, Health Equity Structural Intervention Initiative (CHESI) for Agricultural Workers Digital Equity Initiative: Public Health Service Act section 402(n) as amended [42 USC 282(n)]

The initiative will develop, implement, assess, and disseminate co-created community-led, health equity structural interventions in partnership with research organizations, by intervening upon structural factors that produce and perpetuate health disparities. This is an Other Transactions (OTs) award, which is a unique type of legal awarding instrument that used by the NIH and is not subject to the Federal Acquisition Regulations (FAR) nor the Uniform Grant Regulations (2 CFR 200) unless otherwise noted for certain provisions within the terms and conditions of award. OTs are subject to the authority that governs the initiative, applicable legislative mandates, and the terms and conditions in the OT agreement. In accordance with P.L. 110-161, compliance with the NIH Public Access Policy is mandatory. For more information, see NOT-OD-08-033 and the Public Access website: <http://publicaccess.nih.gov/>.

B. Allowable Costs/Cost Principles

Services provided by and costs allowable under an NC Farmworker Health Program grant through the ORH are limited to those activities which were budgeted by the contractor and approved by the ORH.

Compliance Requirement – No line-item may be increased by more than fifteen (15) percent without the written approval of the ORH (NC Farmworker Health Program). This requirement relates to the contractor’s expenditures as of the date of the balance sheet compared to the budget approved by the ORH.

Suggested Audit Procedure – Review the contractor’s budget as approved by the ORH, including any subsequent amendments. Determine that any revisions exceeding fifteen (15) percent of the budget line-item have been approved in writing.

American Rescue Plan Act Funding for Health Centers

Purchase equipment and supplies to conduct mobile testing or vaccinations for COVID–19, purchase and maintain mobile vehicles and equipment to conduct such testing or vaccinations and hire and train laboratory personnel and other staff to conduct such mobile testing or vaccinations, particularly in medically underserved areas.

Compliance Requirement- No line-item may be increased by more than fifteen (15) percent without the written approval of the ORH (NC Farmworker Health Program). This requirement relates to the contractor's expenditures as of the date of the balance sheet compared to the budget approved by the ORH.

C. Cash Management

Funds are paid on a contractual basis. Generally, payments are made monthly to reimburse for expenses included in the contract's approved budget. Contractors submit monthly expenditure reports after the close of each month. However, some contracts have payments in advance based on a signed DHHS Certification of Cash Needs.

E. Eligibility

- Applicant eligibility

Any public or nonprofit private entity. Priority will be given to applications submitted by community-based organizations which are representative of the populations served. Profit-making organizations are ineligible.

- Beneficiary eligibility

Migratory agricultural workers, seasonal agricultural workers, and members of their families

H. Period of Performance

All funds must be expended within the contract period specified in the formal notice of grant award.

I. Procurement and Suspension and Debarment

Contractors cannot be suspended or debarred, nor can it make subawards under covered transactions to parties that are suspended or debarred. This program procures contracts for items needed to fulfil the requirements of funding such as the FHASES software utilized to track clients who receive contracts with contractors of program. This rule applies any time the non-Federal entity procures goods or services with funds that have been approved in the budget. Suspension and debarment apply to both procurements and subawards.

L. Reporting

Recipients are responsible for managing and monitoring each project, program, subaward, function or activity supported by the award. Therefore, contractors are required to submit a series of reports to the NC Farmworker Health Program Coordinator in the ORH. These reports are specified in the contract agreement. Report formats are provided by the ORH and are designed to gather the data for reports required by the federal DHHS. The reports, reporting frequency, and due dates are as follows:

- Weekly data entry into the database utilized by ORH in order to submit the annual Unified Data System (UDS) report in February. This report provides essential data for reporting directly by the ORH to the Federal DHHS as required by the State's grant agreement with the Federal DHHS.

- Expenditure report by budget line-item is due monthly during the contract period by the 10th day following the month being reported to monitor expenditures per the budget of the contract, unless an alternate date approved in writing by ORH.

M. Subrecipient Monitoring

Contractors that pass funding through to other entities must perform monitoring activities on each subrecipient to include reviewing reports submitted by the subrecipient, performing site visits to the subrecipient to review financial and programmatic records and observe operations, reviewing eligibility determinations for enrollees, and reviewing each subrecipient's single audit or program-specific audit results to ensure the subrecipient complies.

Suggested Audit Procedure - Obtain a list of all subrecipients with which the grantee has agreements. Select a sample and verify that all monitoring activities are documented.

N. Special Tests and Provisions

Conflict of Interest and Certification Regarding No Overdue Tax Debt

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 Uniform Guidance Appendix XI to Part 200. These requirements include the submission of a Conflict-of-Interest Policy and a written statement (if applicable) that the entity does not have any overdue tax debts as defined at the federal, State or local level. 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 – Before receiving and disbursing State funds, determine whether the grantee (1) has adopted a conflict-of-interest policy and has it on file and (2) whether the grantee has any overdue tax debts at the federal, State or local level.

Suggested Audit Procedures -

1. Ascertain that the grantee has a conflict-of-interest policy as described above
2. Check the policy and verify through board minutes that the policy was adopted before the grantee received and disbursed State funds.
3. Verify as to whether the grantee has any overdue tax debts at the federal, State or local level by reviewing tax reports filed with the appropriate government agencies and confirming via an inspection of the accounting records that all taxes were paid timely.