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**MATERNAL AND CHILD HEALTH SERVICES BLOCK GRANT  
TO THE STATES**

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**State Project/Program: FACT FORWARD**

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**U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES  
HEALTH RESOURCES AND SERVICES ADMINISTRATION**

**Federal Authorization:** Social Security Act, Title V, Section 501(a) (1), as amended.

**State Authorization:** 10A NC Administrative Code 43B

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

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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 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**

The objectives of the Maternal and Child Health Services Block Grant are to provide funds to States (1) to provide mothers and children, particularly those with low income or with limited availability to health care, access to quality maternal and child health services; (2) reduce infant mortality, the incidence of preventable diseases, handicapping conditions among children, the need for long-term care services and to increase the immunization levels of children; (3) provide rehabilitative services for blind and disabled individuals under the age of 16 who receive benefits under the Supplemental Security Income Program; and (4) provide and promote family-centered, community-based, coordinated care for children with special health needs and to facilitate the development of community-based systems of services for such children and their families. (42 U.S.C. Section 701 (a) (1)).

## **II. PROGRAM PROCEDURES**

The Secretary of the Department of Health and Human Services (federal DHHS) allocates funds to a state in accordance with a pre-defined formula, upon submission of an application by a State and approval of that application. The application must include a needs assessment that shall identify the need for preventive and primary care services for pregnant women, mothers, and infants up to age one, and children, and services for children with special health care needs. The needs assessment must be conducted and updated every 5 years. (42 U.S.C. Section 705 (a) (1))

The application must also include a State plan for meeting the needs identified by the statewide needs assessment and must include (1) a statement of the goals and objectives, which must be consistent with the objectives of the program, for meeting the needs specified in the needs assessment; (2) an identification of the areas and localities in the State where services are to be provided and coordinated; (3) an identification of the types of services to be provided and the categories or characteristics of individuals to be served; and (4) information the State will collect in order to prepare required reports. The plan must be updated annually. (42 U.S.C. Section 705 (a) (2))

The State Plan for the Maternal and Child Health Block Grant is approved by the North Carolina General Assembly and executed by the Division of Public Health on a State fiscal year basis.

Funds for this program are from a combination of Maternal and Child Health Block Grant funds and matching State funds. The proportion is four federal dollars and three State dollars for every seven dollars awarded and expended. The subrecipient has no requirement to account separately for federal and State dollars in its budget and expenditures. Federal funds are drawn by the State to meet the required match upon total expenditures reported.

In this program funds were allocated to Fact Forward to provide consultation, technical assistance, and resource delivery relating to prevention of adolescent pregnancies to teen pregnancy prevention councils and projects across the State of North Carolina. The agency will also be involved in resource development as well as compile and distribute relevant data and provide training and public education that contributes to the reduction of adolescent pregnancies. They will provide data and other pertinent information to local citizens interested in teen pregnancy prevention issues. Increased awareness and education will be measured through evaluations implemented for a variety of in-person and webinar training events, including, the North Carolina Teen Pregnancy Prevention Conference.

The Maternal and Child Health Block Grant is administered by the North Carolina Department of Health and Human Services, Division of Public Health, Women's and Children's Health

Section, 1928 Mail Service Center, Raleigh, NC 27699-1928. Questions should be directed to Operations Manager, Women's and Children's Health Section at (919) 707-5513.

### 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 should be 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.

State Agency: Please note the Type of Compliance Requirements that apply to be program below consistent with Part 2 of the OMB Compliance Supplement. If the Type does not apply, change "Y" to a "N". If a program is subject to the requirements found in a Crosscutting Supplement, please use the template "FederalTemplate-CC programs.docx."

A	B	C	E	F	G	H	I	J	L	M	N
Activities Allowed or	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	Y	Y	Y	Y	Y	Y	N	Y

#### A. Activities Allowed or Unallowed

In addition to the information in the OMB Compliance Supplement, Part 3 & 4, additional information for this requirement is provided in the [North Carolina Administrative Code, Title 10A, Chapter 43, Subchapter B](#).

#### 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 .0201.

C. Cash Management

However, the State retains responsibility for this requirement and thus chooses not to pass it along to any of its subrecipients. Not applicable at the local level.

E. Eligibility

Services are provided to any citizen or agency in North Carolina who seeks them through Fact Forward.

F. Equipment and Real Property Management

All equipment purchased or leased with an acquisition cost exceeding \$2,500.00, including equipment purchased using PHP&R Grant funds, where there is an option to purchase with State/Federal funds, must receive prior written approval from the appropriate Branch/Section. Equipment must be accounted for in accordance with the North Carolina Department of State Treasurer Policies Manual, Chapter 20, Fixed Assets Policy. (Reference Section B (14) of the Consolidated Agreement between the local health department and the Division of Public Health)

G. Matching, Level, of Effort, Earmarking

However, the State retains responsibility for this requirement and thus chooses not to pass it along to any of its subrecipients. Not applicable at the local level.

H. Period of Availability of Federal Funds

However, the State retains responsibility for this requirement and thus chooses not to pass it along to any of its subrecipients. Not applicable at the local level.

I. Procurement and Suspension and Debarment

Since the Maternal and Child Health Block Grant was created by the Omnibus Budget and Reconciliation Act (OBRA) of 1981, it is not subject to parts of the Uniform Guidance requirements found in 2 CFR Part 200, including the procurement requirements. However, they are subject to NC procurement law.

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\\_interative.pdf](http://www.pandc.nc.gov/documents/Procurement_Manual_5_8_2013_interative.pdf).

*Nongovernmental subrecipients shall maintain written Procurement policies that are followed in procuring the goods and services required to administer the program. This applies to the subrecipients of this supplement.*

Entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred.

J. Program Income

Client and third-party fees collected by the local provider from the provision of maternal and child health services must be used to expand, maintain, or enhance those services in either the year in which they were earned or a subsequent fiscal year. (10A NCAC 43B .0105).

## L. Reporting

### Financial Reporting

Contractor shall file with each funding State agency, a sworn accounting of receipts and expenditures of State funds in the format approved by the Office of the State Auditor. This accounting must be attested to by the Contractor's Treasurer and one other authorizing officer of the Contractor. This accounting must be filed with each funding state agency within six months, after the end of the Contractor's operating year. The Contractor should send a copy to Contract Administrator named in Section 9 of the contract on page 3.

### Program Reporting

A quarterly report will be required at the end of each quarter throughout the fiscal year. This report will include information as it relates to objectives and activities that are included in the contract. This quarterly report will be received 10 days following the end of each quarter. The quarterly reports should only include issues, challenges, achievements, and accomplishments that are relevant to programmatic activities stated within the stated fiscal year.

## N. Special Tests and Provisions

### **Conflicts 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 subgrantee accountable for the legal and appropriate expenditure of those State grant funds. These documents are kept on file at the Division and are incorporated into the contract with non-State entities for compliance review.