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**AFFORDABLE CARE ACT (ACA) MATERNAL, INFANT, AND  
EARLY CHILDHOOD HOME VISITING PROGRAM**

**State Project/Program: NURSE-FAMILY PARTNERSHIP**

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

**Federal Authorization:** 42 United States Code Section 701-709

**State Authorization:** N/A

**N. C. Department of Health and Human Services  
Division of Child and Family Well-Being**

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**Address Confirmation Letters To:**

SFY 2025 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 2024-2025). 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 Oct’ 2023-2025).”

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 these 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 2025 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 this agreement addendum is to provide funding for the implementation of the Nurse-Family Partnership (NFP) program. In its 30-year history, NFP has shown substantial and consistent results related to improved child and maternal health, child abuse and neglect

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reduction, crime reduction, and school readiness. The NFP program will work with its clients to achieve:

- Improved pregnancy outcomes by helping women engage in preventive health practices including obtaining prenatal care, improving diet and nutrition, and reducing the use of tobacco, alcohol, and other substances;
- Improved child health and development by helping parents provide responsible, competent, and nurturing care; and
- Improved economic self-sufficiency of the family by helping the parents develop a vision for their future including planning future pregnancies, continued education, and employment.

## **II. PROGRAM PROCEDURES**

The NFP Program is administered by the North Carolina Department of Health and Human Services—Division of Child and Family Wellness (DCFW), While Child Health Section (WCHS).

Each project shall, for the first-time low-income mothers and their children within the specified area:

- Implement and administer the NFP program with model fidelity.
- Maintain staff of nurse home visitors, nurse supervisor, and data entry/support staff solely devoted to the NFP project per model developer standards. Nurse home visitors and the nurse supervisor hired for the implementation of NFP shall meet the minimum education, background, and experience required by the Office of State Personnel and the National Service Office (NSO) NFP in collaboration with DCFW.
- Maintain a contract for program implementation with the NSO NFP.
- Complete orientation to the program model for all new NFP program staff hired.
- Complete required NSO NFP education sessions for all new program staff hired within the fiscal year. Education sessions include introduction to the theory base of the program model and model fidelity, research findings, client centered principles and therapeutic relationships.
- Participate in ongoing education, consultation and coaching from the NSO NFP and the DCFW home visiting programs to continue increasing competency and to support fidelity. This education, consultation, and coaching continues as long as WCHS is operating the NFP program.
- Participate in regular, ongoing technical assistance with the NSO NFP and the DCFW home visiting programs through a combination of communications and materials that are in-person, by telephone, online, and written.
- Maintain resource and referral systems, including primary health care, mental health services, employment assistance, childcare, alcohol or other drug treatment, and both formal and informal support services, which are kept current and made accessible to the team of nurse home visitors.

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- Maintain a community NFP advisory board/committee.
- Enroll and maintain first-time, low-income mothers. Nurse home visitors shall carry a caseload of no more than 25 mothers at any given time. Ideally, participants are enrolled early in the second trimester (14-16 weeks gestation); however, participants must be enrolled by 28 weeks gestation.
- Provide home visits to enrolled participants per the NFP curriculum and with the prescribed frequency and duration. [Weekly visits in the first month of enrollment; every other week until the baby is born; weekly for the first six weeks after the baby is born; every other week through the child's first birthday; every other week until the baby is 21 months; and monthly until the baby is 2 years old].

The DCFW home visiting programs are managed through the Child and Family Wellness Unit. The NFP program receives funding through the Maternal, Infant, and Early Childhood Home Visiting (MIECHV) Program, Title V Maternal Child Health Block Grant, State and local entities. The DCFW NFP program employs two State Nurse Consultants to provide technical assistance, training, and monitoring for all NFP sites. The NSO NFP monitors program quality through the collection and distribution of program implementation and outcome information on the mothers and their children enrolled in the program. In collaboration with the NSO NFP, DCFW NFP staff review data collected to plan ongoing quality improvement projects and to ensure program fidelity.

### III. COMPLIANCE REQUIREMENTS

Noted below in the following matrix are the types of compliance requirements (Types) that are applicable to the federal program. These Types are either determined by the federal agency or the State Agency may have added the Type. 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 discussed in the supplement under the type of compliance requirement. If the federal and/or State agencies have determined that the type is not applicable, this is indicated by “N.”

If the Type is applicable, the auditor must determine if the Type has a direct and material effect on the federal program for the auditee. The auditor must use the OMB 2025 Compliance Supplement, Part 3 and Part 4 (if an OMB supplement is issued) in addition to this State supplement 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	Y	Y	N	Y	Y	Y	N	Y	Y	Y

#### A. Activities Allowed or Unallowed

NFP funds may be used to provide direct client services.

##### Allowed

Salaries and operating expenses to support the project according to model fidelity per the NSO-NFP.

##### Unallowed

Funds may NOT be used to supplant existing services supported by federal, State or local funds.

#### 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: Not applicable at the local level.

#### E. Eligibility

Services are provided to any high-risk family living in a community served by an NFP program that meets the program eligibility criteria.

**Audit Objectives** – To determine that the clients enrolled in the program meet eligibility requirements.

**Suggested Audit Procedures** – Review the program eligibility requirements in the home visiting model elements or program guide and pull random client records and compare enrollment to eligibility requirements.

### **G. Matching, Level of Effort, Earmarking:**

Not applicable at the local level.

### **H. Period of Performance**

**Compliance Requirements** – State awards may specify a time period during which the grantee may use the State funds. Where a funding period is specified, a grantee may charge for the award only costs resulting from obligations incurred during the funding period and any pre-award costs authorized by the State awarding agency. Also, if authorized by the State program, unobligated balances may be carried over and charged for obligations of the subsequent funding period. Obligations mean the amounts of orders placed, contracts and subgrants awarded, goods and services received, and similar transactions during a given period that will require payment by the grantee during the same or a future period.

**Audit Objective** – Determine whether State funds were obligated within the period of availability and obligations were liquidated within the required time period.

#### **Suggested Audit Procedures**

1. Review the award documents and regulations pertaining to the program and determine any award-specific requirements related to the period of availability and document the availability period.
2. Test a sample of transactions charged to the State award after the end of the period of availability and verify that the underlying obligations occurred within the period of availability and that the liquidation (payment) was made within the allowed time period.
3. Test a sample of transactions that were recorded during the period of availability and verify that the underlying obligations occurred within the period of availability.
4. Select a sample of adjustments to the State funds and verify that these adjustments were for transactions that occurred during the period of availability.

### **I. Procurement and Suspension and Debarment**

#### **Compliance Requirements**

##### **Procurement**

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.

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 Procurement Manual accessible on the Internet at [NC DOA Purchase & Contract - Governing Procurement for the State of North Carolina](#)

**Audit Objectives** – Determine whether procurements were made in compliance with the provisions of the program requirements and any applicable laws, regulations, statutes or other provisions of the awarding State agency.

### **Suggested Audit Procedure**

Test a sample of procurements to ascertain if the applicable laws and the awarding agency procedures were followed.

## **L. Reporting**

### **Financial Reporting**

Contractors are required to submit monthly expenditure and financial reports within 30 days after the end of the month that the services were provided.

### **Performance Reporting**

- Collect and enter data in the NFP data on program implementation and outcomes for participants (mothers and babies enrolled in the program) as required by the NFP. Information collected include characteristics of clients (including when they enroll in the program during their pregnancies) to ensure the target population is being reached; frequency, content and duration of client visit information to ensure appropriate service provision; and maternal and child outcomes such as substance use during pregnancy, birth outcomes, breastfeeding, immunizations, subsequent pregnancies, child development indicators and maternal workforce and school involvement.

**Audit Objective** – Determine whether required reports include all activity of the reporting period, are supported by applicable accounting or performance records, and are fairly presented in accordance with program requirements.

### **Suggested Audit Procedures**

1. Perform monthly review of submitted reports to ascertain whether they are properly formatted and completed.
2. Review amounts requested and compared with previous months for outliers or unreasonable expenditures.

Compare submitted workload with established objectives for the current fiscal year to track compliance with yearly objectives.

## **M. Subrecipient Monitoring**

This refers to the requirement that a pass-through entity perform various monitoring activities, such as reviewing reports submitted by the subrecipient, performing sites visits to the subrecipient to review financial and programmatic records and observe operations, arranging for agreed-upon procedures engagements for certain aspects of subrecipient activities, such as eligibility determinations, reviewing the subrecipient's single audit or program-specific audit results and evaluating audit findings and the subrecipient's corrective action plan. This applies when awards are passed through to a subrecipient. If the entity is not a pass-through entity, this requirement does not apply.

## **N. Special Tests and Provisions**

### Consolidated Agreement System

The DHHS Division of Child and Family Wellness is made up of six major sections: Chronic Disease & Injury, Environmental Health, Epidemiology, Women's and Children's Health, Oral Health, and Administrative, Local, and Community Support. The Division utilizes a single written agreement to manage all funds, that is, State, federal, or private grant funds, that the Division allocates to local health departments across the State. This document, as amended, is called the Consolidated Agreement.

The Agreements sets forth the more general requirements of the funding relationship between the state and local public health agencies. The respective requirements are detailed under the headings: Responsibilities of the Department (Local Public Health Unit); Funding Stipulations; Fiscal Control; Responsibilities of the State; and Compliance. More specific information related to program activity is set out in a document called the Agreement Addenda which detail outcome objectives (which may or may not be negotiable at the beginning of each fiscal year) that each health department must achieve in exchange for the funding. A third part of the system is the Budgetary Authorization which is sent annually from each of the Sections or Branches of the Division to all health departments being allocated funds from specific sources, i.e., State appropriations or other federal grant funds for specific activities. This Estimate indicates the amount of the allocated funds and their respective sources. Each health department should be able to provide an auditor with a copy of the Consolidated Agreement for the particular year being audited, as well as copies of the Budgetary Authorization and any revisions, Agreement Addenda, expenditure reports and any activity reports for each source of money received. If the health department cannot provide these documents, they may contact the State Division of Child and Family Wellness Budget Office for assistance.

**Suggested Audit Procedures** – The auditor should review Section B. FUNDING STIPULATIONS of the Consolidated Agreement before beginning an audit. The fourteen items of this Section describe much of the detailed information the auditor may be seeking during a review of these programs.

### **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 N.C.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 N.C.G.S. 105-243.1 at the federal, State or local level (see N.C.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. Six NFP sites are contracts with the state. Conflicts of Interest documentation and Certification Regarding No Overdue Tax Debts documentation are required to execute annual contracts.