State Project/Program: BOYS AND GIRLS CLUBS OF NORTH CAROLINA

U. S. Department of Health and Human Services
Administration for Children and Families

Federal Authorization: Social Security Act, Title IV, Part A, as amended; Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193; Balanced Budget Act of 1997, Public Law 105-33. Temporary Assistance for Needy Families (TANF) Final Rule was published in the Federal Register on April 12, 1999 (Vol. 64. No. 69). The Tribal Temporary Assistance for Needy Families (TANF) Proposed Rule was published in the Federal Register July 22, 1998 (Vol. 63 No. 140), 45 CFR 200 et seq. The Tribal TANF Final Rule was published in the Federal Register on February 18, 2000 (Vol. 65, No. 34). TANF is subject to the A-102 Common Rule and OMB Circular A-87. This is in contrast to AFDC, which, as described in Appendix I, was excluded from the A-102 Common Rule.

State Authorization: S. L. 2003-284

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N. C. DHHS Confirmation Reports:
SFY 2012 audit confirmation reports for payments made to Counties, Local Management Entities (LMEs), Boards of Education, Councils of Government, District Health Departments and DHSR Grant Subrecipients will be available by early September at the following web address:
http://www.dhhs.state.nc.us/control/. At this site, page down to “Letters/reports/forms for ALL Agencies” and click on “Audit Confirmation Reports (State Fiscal Year 2011-2012)”. Additionally, audit confirmation reports for Nongovernmental entities receiving financial assistance from the DHHS are found at the same website except select “Non-Governmental Audit Confirmation Reports (State Fiscal Years 2010-2012)”.

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.
I. PROGRAM OBJECTIVES

The objective of the grant provided to the Boys and Girls Clubs in North Carolina is to provide services to youth that improve their motivation, performance, and self-esteem and to implement other initiatives that would be expected to reduce the school dropout rate, teen pregnancy rate, and gang prevention. Through numerous North Carolina Boys and Girls Clubs, the organization will provide services to youth through two major programs, “Power Hour” and “Smart Moves”. The organization will be attempting to increase involvement of additional youth in its programs. Both of the above noted programs have outcome measures that focus on academic improvement (measured through monitoring letter grades), HIV/AIDS prevention, and pregnancy prevention. Collaboration among Boys and Girls Clubs and Support Our Students, Communities in Schools, and other similar community programs is expected.

II. PROGRAM PROCEDURES

In North Carolina, the General Assembly designates that TANF funds be granted to a number of non-public entities, such as the Boys and Girls Clubs of North Carolina, as referenced in “State Authorization” above. These funds are administered through the Department of Health and Human Services, Division of Social Services’ Economic Services Section. The SFY 2010-2011 grant to the Boys and Girls Clubs of North Carolina totals $2,500,000.00 and is 100% TANF.

The Boys and Girls Clubs of Wake County, Inc. is the lead entity for receipt and disbursement of funds to 39 additional participating Boys and Girls Clubs in North Carolina. All accounting records are on file at the office of The Boys and Girls Clubs of Wake County, Inc. The programs funded through the grant are totally administered and operated at the local level. Each participating Boys and Girls Club receives monthly installments delineated in the state-level contract. These disbursements are for expenses related to operation of the programs referenced in I. Program Objectives. As found within the State-level contract, each participating Boys and Girls Club, as a grant sub-recipient, must comply with a “Letter of Agreement” that specifies certain organizational, program, and evaluation requirements.

The agreement also specifies guidelines for disbursement and use of grant funds. This includes an expectation that actual payments will be made on a scheduled reimbursement basis, upon timely submission, review and approval of reports and appropriate documentation regarding expenditure of grant funds (maintained at the office of The Boys and Girls Clubs of Wake County, Inc.). Monthly reimbursement reports must be received at the office of The Boys and Girls Clubs of Wake County, Inc. by the 10th of the month following the month that the expenses were accrued. Any late reports will not be accepted and the participating Boys and Girls Club will forfeit that month’s grant allocation. There will not be any retroactive payments to any participating Boys and Girls Club.

State program monitoring includes establishment of specific reporting requirements which include, an interim report due by December 31st and an annual program evaluation due by August 1. Copies of program manuals for the Power Hour and Smart Moves programs are on file in the administrative offices of The Boys and Girls Clubs of Wake County, Inc. and at each participating Boys and Girls Club.
III. COMPLIANCE REQUIREMENTS

Crosscutting Requirements

The compliance requirements in the Division of Social Services “Cross-Cutting Requirements” in Section D (DSS-0) are applicable to this grant.

A. Activities Allowed or Unallowed

Funds must be used in accordance with federal regulations for administration of the TANF Block Grant to implement programs through Boys and Girls Clubs across North Carolina to improve the motivation, performance, and self-esteem of youths and to implement other initiatives that would be expected to reduce school dropout and teen pregnancy rates. The DHHS shall encourage and facilitate collaboration between the Boys and Girls Clubs and similar programs.

B. Allowable Costs/Cost Principles

Grant funds must be used for direct personnel costs (Unit and Program Directors, part-time personnel) associated with their work time for implementation of the Power Hour and Smart Moves programs. Submission of a portion of the Chief Professional Officer’s salary or 100% of any salary must be supported with an accurate and specific explanation of their involvement in program implementation. Current and future grant funds will be withheld or reduced from any participating Boys and Girls Club that is found to not be in full compliance with the organizational, program, or evaluation requirements of this grant.

Grant funds are also utilized for some administrative costs as delineated in the budget within the state-level contract, form DSS-6844S.

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

The Boys and Girls Clubs of Wake County, Inc. and subrecipients receive funding under this program on a reimbursement basis. Therefore, no audit testing is necessary with respect to the federal cash management requirements of Part III of the Circular A-133 Compliance Supplement.

E. Eligibility

In general, services provided under this grant relate to the third goal of TANF (to prevent and reduce out-of-wedlock pregnancies, including establishment of prevention and reduction goals.) Services provided under this goal using TANF funds may be provided without regard to income to youth ages 6-18.

F. Equipment and Real Property Management

The Equipment and Real Property Management section in the Division of Social Services “Crosscutting Requirements” in Section D (DSS-0) are applicable to this grant.
G. Matching, Level of Effort, Earmarking

These requirements have not been passed on to subrecipients; therefore, this is not applicable.

H. Period of Availability of Federal Funds

Federal funds are available for expenditure by Boys and Girls Clubs across North Carolina counties during the period July 1 through June 30.

I. Procurement and Suspension and Debarment

Procurement

The N. C. Department of Health and Human Services (DHHS) and all of its divisions/offices have developed a standard set of rules and regulations that are intended to meet all requirements in conducting day-to-day purchasing activities. These rules and regulations are set forth in the “DHHS Purchase and Contract Manual, Part I” (last revised March 2000). Additionally, the following State authorizations apply and are cited by reference in the DHHS Purchase and Contract Manual: (1) N. C. General Statute 143, Articles 3 and 3C, (2) the N. C. Administrative Code, Title 1, Chapter 5, and (3) the State Purchasing Manual. Unless an exception is made in the contract or program agreement with DHHS, all nongovernmental subrecipients are required to follow the same guidelines as does DHHS when making procurements for goods and services. All local government subrecipients are required to comply with N. C. General Statute 143, Article 8 with respect to procurement activities.

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 accessible on the Internet at http://www.whitehouse.gov/omb/.

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.doa.state.nc.us/PandC/agpurman.htm#P6_65.

Nongovernmental subrecipients shall maintain written Procurement policies that are followed in procuring the goods and services required to administer the program.

Suspension and Debarment

The listing of most debarred and suspended parties can be viewed at the following web site: https://www.epls.gov/.

J. Program Income

This requirement has not been passed to the subrecipients; therefore, additional testing is not required.
L. Reporting

State program monitoring includes establishment of specific reporting requirements which include, an interim report due by December 31st and an annual program evaluation due by August 1. Interim program reporting requirements include progress on program goals, including progress on implementing the Power Hour program, progress on implementing the Smart Moves program and progress on implementing the Street SMART program. The annual evaluation includes member demographic information-total number of clubs members, total of members by gender, total members living in poverty or on free lunch program, and total number of members living with a single parent. Power Hour outcome measures include total number of children’s report cards that reflect maintenance or improvement to average or above average grades. The Smart Moves program measures include total number of members tested on HIV/AIDS awareness, total passing the test, and total number of club members who gave birth to a child and gang prevention outputs. All collaborative agencies are listed.

The Boys and Girls Clubs of Wake County, Inc. requests reimbursement through submission of the DSS-1571S, Part III on a monthly basis for previous month’s expenditures.

Compliance Requirement: Participating Boys and Girls Clubs must submit timely reports and appropriate documentation regarding expenditure of grant funds (maintained at the office of The Boys and Girls Clubs of Wake County, Inc.). Monthly reimbursement reports must be received at the office of The Boys and Girls Clubs of Wake County, Inc. by the 10th of the month following the month that the expenses were accrued. Any late reports will not be accepted and the participating Boys and Girls Club will forfeit that month’s grant allocation. There will not be any retroactive payments to any participating Boys and Girls Clubs.

The Boys and Girls Clubs of North Carolina must adhere to an interim and annual program reporting requirements established by the Division of Social Services. Interim program reporting requirements include progress on program goals, including progress on implementing the Power Hour program, progress on implementing the Smart Moves program and progress on implementing the Street SMART program. The annual evaluation includes member demographic information-total number of clubs members, total of members by gender, total members living in poverty or on free lunch program, and total number of members living with a single parent. Power Hour outcome measures include total number of children’s report cards that reflect maintenance or improvement to average or above average grades. The Smart Moves program measures include total number of members tested on HIV/AIDS awareness, total passing the test, and total number of club members who gave birth to a child and gang prevention outputs. All collaborative agencies are listed. The Boys and Girls Clubs of Wake County, Inc. requests reimbursement through submission of the DSS-1571S, Part III on a monthly basis for previous month’s expenditures.

Audit Objective: Determine whether the correct information was submitted by the deadlines.

Audit Procedure: Pull a sample of invoices from participating Boys and Girls Clubs resulting in monthly reimbursement requests to the State. Review the data elements in the program reports for completeness and accuracy.
M. Subrecipient Monitoring

The Boys and Girls Clubs of Wake County, Inc. develops agreements with Boys and Girls Clubs across North Carolina (subrecipients) to provide allowable services. Local agencies are responsible for the following aforementioned guidelines within the agreements.

N. Special Tests and Provisions

This section is not applicable for this program.