I. PROGRAM OBJECTIVES

The Community-Focused Eliminating Health Disparities Initiative (CFEHDI) provides grants-in-aid to close the gap in the health status of African-Americans, Hispanics/Latinos, and American Indians as compared to the health status of white persons. These grants-in-aid shall focus on the use of measures to eliminate or reduce health disparities among minority populations in North Carolina with respect to heart disease, stroke, diabetes, obesity, asthma, HIV/AIDS, and cancer.

II. PROGRAM PROCEDURES

Approximately $2,000,000 in SFY 2012-2013 is used to provide a maximum of twelve (12) grants-in-aid to close the gap in the health status of African-Americans, Hispanics/Latinos, and American Indians as compared to the health status of white persons. Individual grants may not exceed $300,000 annually. No more than four (4) grants-in-aid are awarded to applicants located in the urban and rural areas of the Western, Piedmont, and Eastern areas of North Carolina.

Community-based organizations, faith-based organizations, local health departments, hospitals, and CCNC networks located in urban and rural areas of the western, eastern, and Piedmont areas of this State are eligible to apply for these grants-in-aid. HB 200 (S.L. 2011-145) modified previous legislation to include a clinical component that ensures an evidence-based medical home model will be implemented in order to affect change in health and geographic disparities. The diversity of the
target populations and range of priority health focus areas make the CFEHDI a unique initiative that emphasizes the community-clinical partnership, as well as, the critical need to develop a comprehensive system of prevention and health care services to address health disparities. Funds for this program are from State appropriations.

III. COMPLIANCE REQUIREMENTS

A. ACTIVITIES ALLOWED OR UNALLOWED

Contractors, which include local health departments, hospitals and private, non-profit organizations, are to complete activities as noted on their contract addenda/scope of work. Each scope of work is different based upon the needs of the specific area served. See individual contract scopes of work.

B. ALLOWABLE COSTS/COST PRINCIPLES

All grantees that expend State funds are required to comply with the cost principles described in the N. C. Administrative Code at 09 NCAC 03M .0201.

C. CASH MANAGEMENT

This is a requirement in the OMB Circular A-133 federal supplement. However, the State retains responsibility for this requirement and thus chooses not to pass it along to any of its subrecipients.

E. ELIGIBILITY

Community-based organizations, faith-based organizations, local health departments, hospitals, and CCNC networks located in urban and rural areas of the western, eastern, and Piedmont areas of this State are eligible to apply for these grants-in-aid. Each contract must have an Advisory Board representative of their priority population.

F. EQUIPMENT AND REAL PROPERTY MANAGEMENT

Equipment must be accounted for in accordance with the North Carolina Department of State Treasurer Policies Manual, Chapter 20, Fixed Assets Policy. Title to equipment costing in excess of $2,500.00 acquired by the Contractor with funds from this contract shall vest in the contractor, subject to the following conditions.

1. The Contractor shall use the equipment in the project or program for which it was acquired as long as needed. When equipment is no longer needed for the original project or program or if operations are discontinued, the Contractor shall contact the Department of Health and Human Services, Division of Public Health, for written instructions regarding disposition of equipment.

2. When acquiring replacement equipment, the Contractor may use the equipment to be replaced as trade-in against replacement equipment or may sell said equipment and use the proceeds to offset the costs of replacement equipment subject to written approval of the Division of Public Health.

3. For equipment costing in excess of $2,500.00, equipment controls and procedures shall include at a minimum the following:

   a) Detailed equipment records shall be maintained which accurately include the:
      1. Description and location of the equipment, serial number, acquisition date/cost, useful life and depreciation rate;
      2. Source/percentage of funding for purchase and restrictions as to use or disposition
3. Disposition data, which includes date of disposal and sales price or method used to determine fair market value.

b) Equipment shall be assigned a control number in the accounting records and shall be tagged individually with a permanent identification number.

c) Biennially, a physical inventory of equipment shall be taken and results compared to accounting and fixed asset records. Any discrepancy shall immediately be brought to the attention of management and the governing board.

d) A control system shall be in place to ensure adequate safeguards to prevent loss, damage, or theft of equipment and shall provide for full documentation and investigation of any loss or theft.

e) Adequate maintenance procedures shall be implemented to ensure that equipment is maintained in good condition.

f) Procedures shall be implemented which ensure that adequate insurance coverage is maintained on all equipment. A review of coverage amounts shall be conducted on a periodic basis, preferably at least annually.

4. The Contractor shall ensure all subcontractors are notified of their responsibility to comply with the equipment conditions specified in this section.

5. Prior written approval from Department must be obtained before purchasing equipment valued over $2,500.00. Institutions of higher education, hospitals, and other non-profit organizations shall use procurement procedures that conform to applicable federal law and regulations and standards identified in OMB Circular A-110. All non-federal entities shall follow federal laws and implementing regulations applicable to procurements, as noted in federal agency implementation of the A-102 Common Rule and OMB Circular A-110.

H. PERIOD OF AVAILABILITY OF FEDERAL FUNDS

This is a requirement in the OMB Circular A-133 federal supplement. However, the State retains responsibility for this requirement and thus chooses not to pass it along to any of its subrecipients.

I. PROCUREMENT AND SUSPENSION AND DEBARMENT

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 to federal agency codifications of the grants management common rule accessible on the Internet at http://www.whitehouse.gov/omb/grants/chart.html.

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.

J. PROGRAM INCOME

Revenue generated must be used within the program.
L. REPORTING

**Financial Reporting:** Monthly expenditure reports (DHHS 2481) are required to be completed for payment. The Contractor shall submit to the Division a monthly reimbursement request and, upon approval by the Division, receive payment within 30 days. The original expenditure report, DHHS 2481, shall be submitted to the Division Contract Administrator. The Contractor shall have up to thirty (30) days from last day of contract for close out, completion and submission of the final monthly expenditure report related to this contract period. If this contract is terminated, the Contractor is required to complete a final accounting report and to return any unearned funds to the Division within 60 days of the contract termination date. All payments are contingent upon fund availability.

**Performance Reporting:** Each contractor will submit a planned scope of work prior to the funded fiscal year. This scope includes a description of activities planned, a number of the anticipated target population, and the anticipated outcomes of the activity. Each contractor submits quarterly reports and an end-of-year report within 30 days following the termination date of contract.

M. SUBRECIPIENT MONITORING

Local health departments and other entities frequently contract with other agencies to provide allowable services. Unless services are obtained on other than fee for service contracts, the auditor does not need to audit for this requirement. (Reference Section C (1) (c and d) of the Consolidated Agreement between the local health department and the Division of Public Health)

N. SPECIAL TESTS AND PROVISIONS

**Conflict 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 Notarized 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.

**Suggested Audit Procedures**

1. Ascertain that the grantee has a written conflict of interest policy.
2. Check the policy and verify through board minutes that the policy was adopted before the grantee received and disbursed State funds.