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SENIOR COMMUNITY SERVICE EMPLOYMENT PROGRAM

**State Project/Program: SENIOR COMMUNITY SERVICE EMPLOYMENT PROGRAM
TITLE V**

**U. S. DEPARTMENT OF LABOR
EMPLOYMENT AND TRAINING ADMINISTRATION**

Federal Authorization: Older Americans Act of 1965, Title V, as amended, Public Law 109-365, 102 Stat. 2522; 42 U.S.C. 3001 note.

**N. C. Department of Health and Human Services
Division of Aging and Adult Services**

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SFY 2021 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 2020-2021). 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 \(State Fiscal Years 2019-2021\)](#)”.

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 2021 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.

SENIOR COMMUNITY SERVICE EMPLOYMENT PROGRAM TITLE V

I. PROGRAM OBJECTIVE

The objective of the Senior Community Service Employment program (SCSEP) is to provide, foster, and promote useful part-time work opportunities in community service activities for low-income persons who are 55 years old or older. The SCSEP fosters individual economic self-sufficiency, promotes meaningful community service and increases the number of persons most-in-need who may benefit from future unsubsidized employment.

II. PROGRAM PROCEDURES

The U. S. Department of Labor grants Title V funding in North Carolina to the Division of Aging and Adult Services and three national contractors.

Funds are received by State Units on Aging and allocated to local governments, public and private nonprofit organizations, based on the submission and approval of a Request for Application, to create and pay for part-time community service positions at established local service agencies or newly formed or innovative community service projects. Agencies receiving these funds are called "sub grantees." Participants are assigned a training site location. The "training site" or host agency may, or may not be part of the sub-grantee's operation.

The Title V Coordinator monitors the various training sites to insure appropriate program operations. In local workforce investment areas where more than one grantee under this title provides services, the grantees shall coordinate their activities related to the NC Works Career Center and grantees shall be signatories of the memorandum of understanding (section 121c, Workforce Investment Act, 1998).

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 2021 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 2021 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 to be direct and material, the auditor should refer to the requirements found in Part 3 and listed in this supplement.

SENIOR COMMUNITY SERVICE EMPLOYMENT PROGRAM TITLE V

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	Y	Y	Y	Y	N	Y	Y	Y

A. ACTIVITIES ALLOWED OR UNALLOWED

Training, counseling, and other supportive services may be provided by the sub-grantee or host agency after developing an Individual Employment Plan with the participant. SCSEP participants shall be provided the opportunity of paid training between 18-21 hours per week at a training site (host agency).

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

Payment is made to the sub-grantee on a reimbursement basis for SCSEP participants and program expenditures incurred for the prior month. Reimbursement reports are due to the Division on the 15th of each month. Reimbursement reports are reviewed and verified for accuracy and then forwarded to the DHHS Controller’s Office for electronic payment.

E. ELIGIBILITY

All participants must be 55 years old or older, unemployed, residents of North Carolina at the time of enrollment and with an annual income no greater than 125 percent of poverty as defined by the U. S. Department of Health and Human Services. A copy of the current guidelines can be found at https://www.doleta.gov/Seniors/html_docs/TechAssist.cfm. Poverty Guidelines are issued annually and are also available through the Division.

F. EQUIPMENT AND REAL PROPERTY MANAGEMENT

For the purposes of this program, “equipment” is defined as “non-expendable personal property that has a useful life of more than one year and a per-unit cost of \$5,000 or more.”

The only type of equipment that may be acquired with Federal funds is equipment necessary for the operation of the grant. If purchased, the cost of the equipment is to be prorated over the projected life of the equipment to determine the cost to the grant. Use of grant funds to purchase equipment with a unit cost of \$5,000 or more requires

SENIOR COMMUNITY SERVICE EMPLOYMENT PROGRAM TITLE V

special review and approval from the Grant Officer prior to purchase. Shipping, delivery, and installation, if necessary, are a normal part of the cost of equipment and should be included in the budgeted amount.

G. MATCHING, LEVEL OF EFFORT, EARMARKING

Total costs of the Title V Program may be reimbursed up to a maximum of 90% of those costs. The remaining 10% of those costs must be borne by the grantee agency, sub grantee or host agency in the form of non-federal in-kind match. (OAA Sec. 502) (20 CFR Part 641 and 29 CFR Parts 89)

A maximum of 7.5% can be use allocated to pay administrative costs associated with the program. A minimum of 75% of available funds must be allocated to participant wages and fringe benefits.

H. PERIOD OF PERFORMANCE

The Division issues a contract to the sub-grantee. The sub-grantee signs off on the contract and programmatic assurances committing to meeting the programmatic and financial obligations of the grant. All agreements are based on the State Fiscal Year (July-June).

I. PROCUREMENT AND SUSPENSION AND DEBARMENT

Debarment and suspension certifications are included in the annual Senior Community Service Employment State Plan developed between the Division and the lead regional organization. A certification is also agreed to and on file at the host agency. The Division periodically reviews the *List of Parties Excluded from Federal Procurement or Non-Procurement Programs*, issued by the General Services Administration.

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

<https://clintonwhitehouse3.archives.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

<https://ncadmin.nc.gov/government-agencies/procurement/procurement-rules>.

L. REPORTING

Each sub grantee submits a SCSEP *Quarterly Progress Report* to capture data elements during the reporting period into the SCSEP Data Collection System. BCT Partners is the Department of Labor's database contractor. In addition, sub-grantees will submit a narrative progress report quarterly to the State SCSEP Coordinator. The database provides demographic and performance data which is evaluated to determine that the objectives of the program are being met. No testing is required by the local auditor. A Reimbursement Request from the lead regional organization is submitted to the SCSEP Coordinator no later than the 15th day of each month to receive reimbursement of funds. The Controller's Office makes payment to the lead regional organization, who, in turn, reimburses the host agency or individual program participant.

M. SUBRECIPIENT MONITORING

SENIOR COMMUNITY SERVICE EMPLOYMENT PROGRAM TITLE V

Title V funds may not be sub-contracted by a sub-grantee (subrecipient). Regular subrecipient monitoring is conduct depending on the level of risk assigned by the NC Division of Aging and Adult Services.

N. SPECIAL TESTS AND PROVISIONS

1. SCSEP participants must not displace current employees or impair existing contracts for service. (29 CFR Part 89)

Suggested Audit Procedure

- Test payroll and personnel records to ascertain whether SCSEP participants are used to supplant work that would otherwise be performed by current employees on existing contracts.
2. SCSEP wages must be the higher of either the Federal or State minimum wage (29 CFR Part 89) and training hours must be assigned consistently across the sub-grantee service area.

Suggested Audit Procedures

- Identify positions filled by SCSEP participants.
 - Ascertain Federal and State minimum wage for training assignments.
 - Test payroll records and ascertain wages paid to SCSEP participants meet the higher of the Federal or State minimum wage.
3. Sub-grantees funded by the Division of Aging and Adult Services must spend no less than seventy-five (75) percent of the Federal funds allocated for Employee's Wages and Fringe Benefits. (20 CFR Part 641 and 29 CFR Part 89)

Suggested Audit Procedure

- Determine the amount of Federal allocation and multiply by 75%. Compare this figure with the sum of employee wages and fringe benefits.
- Administrative dollars do not exceed 13.5% of total federal allocation.