

21.019

CORNOVIRUS RELIEF FUND

---

---

**State Project/Program: COVID RELEIF FUND**

---

---

**Department of the Treasury**

**Federal Authorization: Coronavirus Aid, relief, and Economic Security (CARES) Act (P.L. No. 116-136), passed by US Congress March 2020**

**State Authorization: Session Law 2020-80 House Bill 1023, Session Law 2020-4 House Bill 1043, Session Law 2020-97 House Bill 1105**

**NC Office of State Budget and Management  
Division of Social Services**

---

**Agency Contact Person – Program-Child Welfare Services**

Lisa Cauley  
(919) 527-6401  
[Lisa.Cauley@dhhs.nc.gov](mailto:Lisa.Cauley@dhhs.nc.gov)

**Agency Contact Person – Program-Food and Nutrition Services**

Carla West  
(919) 855-4405  
[Carla.West@dhhs.nc.gov](mailto:Carla.West@dhhs.nc.gov)

**Agency Contact Person – Financial**

Alycia Gaither  
(919) 527-6415  
[Alycia.Gaither@dhhs.nc.gov](mailto:Alycia.Gaither@dhhs.nc.gov)

**Address Confirmation Letters To:**

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.

### I. PROGRAM OBJECTIVES

The NC General Assembly finds that State government must serve as a facilitator in assisting local governments, communities, families, workers and other individuals, and businesses in accessing federal relief and recovery funds related to the COVID-19 pandemic. Funds have been allocated to various areas within NC State government to fulfill the General Assembly's constitutional duty to appropriate all funds, including federal funds appropriated or otherwise made available under the COVID-19 Recovery Legislation, and to direct the use of those funds in a manner that is consistent with the authorizing federal legislation and that responsibly provides for the public health and economic well-being of the State.

Funds were issued in the Division of Social Services for:

Child Protective Services/Adult Protective Services HB 1043 Section 3.3(37).

Foster Care Assistance (Stipends)-Funds are to assist in serving children in foster care during the COVID-19 emergency. These funds shall be used for monthly supplemental payments in the amount of one hundred dollars (\$100.00) for each child receiving foster care assistance payments beginning with the month of April 2020 and continuing until funds are exhausted. HB 1105 item Section 3.3(42).

LINKS-Reimbursement to provide funds for the LINKS program, a foster care support program for youth ages 13-21 years. These funds shall be used to support youth in the LINKS program who are not receiving foster care assistance payments and need assistance with housing or transitional costs due to COVID-19 and are allocated as follows: a. \$250,000 for LINKS Transitional Living Services. b. \$40,000 for LINKS Transitional Housing. HB 1043 Section 3.3(29).

Food and Nutrition Services increase of benefits for individuals who are dually eligible for Medicare and Medicaid. HB 1105 Section 3.3(106)

Reinvestment Partners- A nonprofit organization, for its Produce Prescription Program, which provides a monthly forty dollar (\$40.00) per household benefit for each eligible Food and Nutrition Services recipient enrolled by the recipient's health care provider, to serve individuals impacted by the COVID-19 emergency. Individuals receiving assistance pursuant to this subdivision are limited to three months of food assistance. HB 1105 Section 3.3(37).

Virtual Foster Care-Contract with Children's Home Society of North Carolina, Inc., (CHS) to provide virtual foster care and adoption services for families and children experiencing hardship as a result of the COVID-19 pandemic. HB 1105 Section 3.3(107).

### II. PROGRAM PROCEDURES

Program procedures are described in the following dear County Director Letters:

[6/15/2020 Foster Care/Links/Child Welfare and Adult Protective Services](#)

[7/14/2020 Clarification of Child Welfare and Adult Services](#)

[7/16/2020 Further Clarification of Child Welfare and Adult Services](#)

[7/29/2020 Additional Foster Care Funding](#)

**COVID RELIEF FUND**

---

[8/28/2020 Additional Use of Funds Child Welfare and Adult Services](#)

[9/16/2020 Reimbursement Changes to Child Welfare and Adult Services](#)

[9/22/2020 Foster Care Stipends Update](#)

**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.

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	N	N	N	N	Y	N	N	Y	Y	N

**A. Activities Allowed or Unallowed**

Allowed activities are described in the following Dear County Director letters:

[6/15/2020 Foster Care/Links/Child Welfare and Adult Protective Services](#)

## COVID RELIEF FUND

---

[7/14/2020 Clarification of Child Welfare and Adult Services](#)

[7/16/2020 Further Clarification of Child Welfare and Adult Services](#)

[7/29/2020 Additional Foster Care Funding](#)

[8/28/2020 Additional Use of Funds Child Welfare and Adult Services](#)

[9/16/2020 Reimbursement Changes to Child Welfare and Adult Services](#)

[9/22/2020 Foster Care Stipends Update](#)

### H. Period of Performance

Child Protective Services/Adult Protective Services- Services from March 1 through May 31, 2021

Foster Care Assistance (Stipends) -Services from April 1, 2020 through September 30, 2020.

LINKS- Funds made available from April 1, 2020 through December 30, 2020.

Food and Nutrition Services increase of benefits March 1, 2020 through September 30, 2020.

Reinvestment Partners- June 1, 2020 through December 30, 2020

Virtual Foster Care/ Children's Home Society- October 1, 2020 through December 30, 2020

### L. Reporting

Child Protective Services/Adult Protective Services -Expenditures for Services are to be recorded on the 1571 using the following codes; 309 for Child Protective Services and 303 for Adult Protective Services. Counties will be reimbursed for March through July services. Beginning in August 2020, expenditures for services will be recorded on the 1571 using the same codes but the state will not reimburse as funds have been advanced to each county. Sometime around fiscal year end the state will EFT from the county any unspent funds. Counties are also required to report expenditures each month using a C-1 Covid-1 Grant Project Status Report.

Compliance requirement: Expenditures reported on the monthly C-1 are reported on the corresponding monthly 1571 and are allowable.

## COVID RELEIF FUND

---

Audit Objective: Determine amounts reported on C-1 are accurate and allowable.

Audit Procedure: Sample C-1 monthly reports.

Foster Care Assistance (Stipends)- Initially Counties were required to submit a *Reimbursement Submission Form* to request funding **after payments** were processed. To quicken the distribution of stipend payments, in late September 2020, funds were advanced to counties. After this advance payment, counties were required to submit a *Reconciliation Form* to confirm payment and request additional funds or return unissued payments.

Compliance requirement: Financial payments were processed accordingly to placement vendors.

Audit Objective: Determine the correct payment amounts were processed and reported.

Audit Procedure: Review COVID stipend payment vouchers for service periods of April 2020 to September 2020 and reconcile to special reimbursements. Assure COVID payments were not reported on the DSS-5904 for reimbursement.

LINKS- Counties are required to submit a request for reimbursement of funds using a Request for Reimbursement LINKS COVID-19 Funds form.

Compliance requirement: Financial payments were processed according to individual county requests for reimbursement.

Audit Objective: Determine the correct payment amounts were processed and reported.

Audit Procedure: Review LINKS COVID Reimbursement forms for service periods of March 2020 to December 2020 and reconcile to IND LIV LINKS COVID-19 on Electronic Funds Transfer documents. Assure COVID payments were not reported on Electronic Funds Transfer documents as IND LIV LINKS TRANSITIONAL or IND LIV LINKS HOUSING.

Reinvestment Partners- This is a subaward for financial assistance. Financial Assistance Contracts are subject to the Uniform Administration of State Awards, Oversight and Reporting Requirements for recipient and subrecipients described in N.C. General Statute § 143C-6-23(d) and in 09 NCAC 03M.205. In addition, Reinvestment Partners must submit the following reports:

- (1) Two Quarterly Reports:
  - Report Template A - Quarterly Status Report
- (2) One End of Year Report:
  - Report Template B - State Grant Compliance Reporting
  - Report Template C - Schedule of Receipts and Expenditures
  - Report Template D - Program Activities and Accomplishment
- (3) Reporting Timeframes and Due Dates:

Report Title	Reporting Period	Due Date
Quarterly Report 1	June 1, 2020 to September 15, 2020	October 16, 2020

## COVID RELIEF FUND

---

Quarterly Report 2	September 16, 2020 to December 30, 2020	January 22, 2021
End of Year Report	June 1, 2020 to December 30, 2020	January 22, 2021

Virtual Foster Care-Children's Home Society-This is a subaward for financial assistance. Financial Assistance Contracts are subject to the Uniform Administration of State Awards, Oversight and Reporting Requirements for recipient and subrecipients described in N.C. General Statute § 143C-6-23(d) and in 09 NCAC 03M.205. In addition, Children's Home Society of North Carolina must submit the following reports:

- (1) Three Monthly Reports:
  - Report Template A - Monthly Status Report
- (2) One End of Year Report:
  - Report Template B - State Grant Compliance Reporting
  - Report Template C - Schedule of Receipts and Expenditures
  - Report Template D - Program Activities and Accomplishment
- (3) Reporting Timeframes and Due Dates:

<b>Report Title</b>	<b>Reporting Period</b>	<b>Due Date</b>
Monthly Report 1	October 1, 2020 to October 31, 2020	November 15, 2020
Monthly Report 2	November 1, 2020 to November 30, 2020	December 15, 2020
Monthly Report 3	December 1, 2020 to December 30, 2020	January 22, 2021
End of Year Report	October 1, 2020 to December 30, 2020	January 22, 2021

### M. Subrecipient Monitoring

Not applicable at the local level, no testing required.