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**HEALTH CENTER PROGRAM (COMMUNITY HEALTH CENTERS, MIGRANT HEALTH CENTERS, HEALTH CARE FOR THE HOMELESS, AND PUBLIC HOUSING PRIMARY CARE)**

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**State Project/Program: NC FARMWORKER HEALTH PROGRAM / FARMWORKER MEDICAL OUTREACH SERVICE**

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**US DEPARTMENT OF HEALTH AND HUMAN SERVICES**

**Federal Authorization:** Public Health Service Act, (42 U.S.C. 254b), Section 330(e), (g), (h), and (i), as amended by sec. 5601 of P.L. 111-148. Coronavirus Aid, Relief and Economic Security (CARES) Act (P.L. 116-136). H.R. 266-Paycheck Protection Program and Health Care Enhancement Act Funding (P.L. 116-139). American Rescue Plan Act (P.L. 117-2)

**Department of Health and Human Services  
Central Administration/ Office of Rural Health**

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**Address Confirmation Letters To:**

SFY 2023 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 DHHS 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 2022-2023)”. 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 2021-2023)”

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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 2023 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**

To increase access to comprehensive primary and preventive health care and improve the health status of underserved and vulnerable populations in the area to be served.

## **II. PROGRAM PROCEDURES**

The NC Farmworker Health Program is administered by the N. C. Department of Health and Human Services, Office of Rural Health (ORH), 2009 Mail Service Center, Raleigh, North Carolina 27699-2009, (919) 527-6440. Funds are received from the U. S. Department of Health and Human Services, Health Resources and Services Administration (HRSA).

The ORH, based upon requests submitted by local agencies and approved by ORH, provides grants. An objective review committee consisting of Co-Applicant Governing Board members of the North Carolina Farmworker Health Program reviews applications for merit and recommends approval or disapproval of full or partial funding. The Director of the ORH makes final decisions. Among the criteria for selection of projects is the relative merit of proposals considering the Bureau of Primary Health Care's criteria and specific program guidelines, reasonableness and appropriateness of costs, and past performance by an applicant.

Once an applicant is selected, a formal contract is prepared by the ORH. The contract details contractor obligations, the funding schedule, reporting requirements, and audit requirements. The formal contract serves as the grant award notification.

During the contract year (typically April 1 - March 31), NC Farmworker Health Program staff provide on-going technical assistance to the contractors. Technical assistance includes on-site visitation, workshops, and other contacts with the contractors during which program goals are reviewed and evaluation of contractors undertaken. The primary goal of the assistance is to ensure that the most comprehensive services are available for migrant and seasonal farmworkers and their families.

## **III. COMPLIANCE REQUIREMENTS**

Below on the matrix are the types of compliance requirements are applicable to the federal program, noted as "Y," as determined by the federal granting agency if the federal program is listed in Part 2 of the OMB 2023 Compliance Supplement. A State agency may have added a Type. If the program is not listed in Part 2, the State Agency has determined the applicable Types. If a Type, applicable by OMB, does not apply at the local level or if the State has modified the federal requirements at the local level, this should be explained in the supplement under the Type. A Type that is not applicable at the local level is noted by "N."

If a particular Type is noted as "Y," the auditor must determine if the Type has a direct and material effect on the federal program for the auditee. For each Type of compliance requirement, the auditor must use the OMB 2023 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	Y	Y	N	N	Y	Y	N	Y	Y	Y

A. Activities Allowed or Unallowed

Funds may be allowed to improve the availability, accessibility, and provision of primary, specialty, dental, behavioral health, and enabling health care services. ORH abides by the Legislative Mandates in Grants Management for FY 2022 listed in HRSA’s External Grants Policy Bulletin, Bulletin Number 2022-05E, released on April 14, 2022, that outlines the limitations of the use of funds for HRSA grants.

**Health Center Coronavirus Aid, Relief, and Economic Security (CARES) Act Funding: Coronavirus Aid, Relief and Economic Security (CARES) Act**

Funds may be allowed to support the detection of coronavirus and/or the prevention, diagnosis, and treatment of COVID including maintaining or increasing health center capacity and staffing levels during coronavirus related public health emergency. Funding may support a wide range of activities, including : Ensuring patient and health center personnel safety and otherwise minimize COVID19 exposure within the health center and in other locations where the health center personnel are delivering in scope services on behalf of the health center; addressing emergent COVID 19 issues to meet the health needs of the population served by the health center, the use of telehealth to support virtual assessment and monitoring of COVID19, symptoms and testing and laboratory services, restoring, sustaining and strengthening health center capacity and staffing levels including hiring new, reemploying and contracting personnel, as well as supporting the reassignment of personnel resources.

**FY 2020 Expanding Capacity for Coronavirus Testing (ECT) Supplemental Funding for Health Centers: Paycheck Protection Program and Health Care Enhancement Act**

Funding may be used to support activities to purchase, administer, and expand capacity for testing for COVID19.

**American Rescue Plan Act Funding for Health Centers: American Rescue Plan Act (P.L. 117-2)**

Funding may be used to plan, prepare for, promote, distribute, administer, and track COVID–19 vaccines, and carry out other vaccine-related activities; Detect, diagnose, trace, and monitor COVID–19 infections and related activities necessary to mitigate the spread of COVID–19, including activities related to, and equipment or supplies

purchased for, testing, contact tracing, surveillance, mitigation, and treatment of COVID-19; Purchase equipment and supplies to conduct mobile testing or vaccinations for COVID-19, purchase and maintain mobile vehicles and equipment to conduct such testing or vaccinations, and hire and train laboratory personnel and other staff to conduct such mobile testing or vaccinations, particularly in medically underserved areas; Establish, expand, and sustain the health care workforce to prevent, prepare for, and respond to COVID-19, and to carry out other health work force-related activities; Modify, enhance, and expand health care services and infrastructure; and Conduct community outreach and education activities related to COVID-19.

**Health Center Infrastructure Support: American Rescue Plan Act (P.L. 117-2) Section 2601 and Public Health Service Act (41 USC 254b)**

Funding may be used to support construction, expansion, alteration, renovation, and other capital improvements to modify, enhance, and expand health care infrastructure.

**B. Allowable Costs/Cost Principles**

Services provided by and costs allowable under an NC Farmworker Health Program grant through the ORH are limited to those activities which were budgeted by the contractor and approved by the ORH.

**Compliance Requirement** – No line-item may be increased by more than fifteen (15) percent without the written approval of the ORH (NC Farmworker Health Program). This requirement relates to the contractor’s expenditures as of the date of the balance sheet compared to the budget approved by the ORH.

**Suggested Audit Procedure** – Review the contractor’s budget as approved by the ORH, including any subsequent amendments. Determine that any revisions exceeding fifteen (15) percent of the budget line-item have been approved in writing.

**Health Center Coronavirus Aid, Relief, and Economic Security (CARES) Act Funding**

Services provided by and costs allowable under funding may support a wide range of in scope activities including but not limited to maintaining or increasing health center capacity and staffing levels during coronavirus related public health emergency, patient and community education; minor alteration and renovation; equipment purchase including health information technology and telehealth information technology and telehealth equipment, vehicles and mobile, medical unit and supplies.

**Compliance Requirement**- Funds may not be used to: purchase or upgrade an electronic health record that is not certified by the Office of the National Coordinator for Health Information Technology; new construction activities, including additions or expansions; major alteration and renovation (A/R) projects valued at \$500,000 or greater in total federal and nonfederal costs (excluding the cost of allowable moveable equipment); installation of a permanently affixed modular or prefabricated building; facility or land purchases; or significant exterior site work such as new parking lots or storm water structures. Additionally, these funds may not be used for costs already supported by Health Center Program operational grant (H80) or COVID19 (H8C) funding.

**FY 2020 Expanding Capacity for Coronavirus Testing (ECT) Supplemental Funding for Health Centers:**

Services provided by and costs allowable under funding may support a wide range of in scope activities including but not limited to purchasing of testing equipment and supplies, temporary drive or walk-up testing, laboratory services, patient and community education related to testing, assessment of symptoms, delivering test results, and appropriate follow up assessment including by telephone, text, monitoring systems, or videoconference.

**Compliance Requirement-** No line-item may be increased by more than fifteen (15) percent without the written approval of the ORH (NC Farmworker Health Program). This requirement relates to the contractor's expenditures as of the date of the balance sheet compared to the budget approved by the ORH.

**American Rescue Plan Act Funding for Health Centers**

Purchase equipment and supplies to conduct mobile testing or vaccinations for COVID-19, purchase and maintain mobile vehicles and equipment to conduct such testing or vaccinations and hire and train laboratory personnel and other staff to conduct such mobile testing or vaccinations, particularly in medically underserved areas.

**Compliance Requirement-** No line-item may be increased by more than fifteen (15) percent without the written approval of the ORH (NC Farmworker Health Program). This requirement relates to the contractor's expenditures as of the date of the balance sheet compared to the budget approved by the ORH.

C. Cash Management

Funds are paid on a contractual basis. Generally, payments are made monthly to reimburse for expenses included in the contract's approved budget. Contractors submit monthly expenditure reports after the close of each month. However, some contracts have payments in advance based on a signed DHHS Certification of Cash Needs.

**Health Center Coronavirus Aid, Relief, and Economic Security (CARES) Act Funding; FY 2020 Expanding Capacity for Coronavirus Testing (ECT) Supplemental Funding for Health Centers; American Rescue Plan Act Funding for Health Centers:**

Same as above

E. Eligibility

- Applicant eligibility

Any public or nonprofit private entity. Priority will be given to applications submitted by community-based organizations which are representative of the populations served. Profit-making organizations are ineligible.

- Beneficiary eligibility

Migratory agricultural workers, seasonal agricultural workers, and members of their families

**Health Center Coronavirus Aid, Relief, and Economic Security (CARES) Act Funding; American Rescue Plan Act Funding for Health Centers:**

Same as above

H. Period of Performance

All funds must be expended within the contract period specified in the formal notice of grant award.

**FY 2020 Coronavirus Supplemental Funding for Health Centers; Health Center Coronavirus Aid, Relief, and Economic Security (CARES) Act Funding; FY 2020 Expanding Capacity for Coronavirus Testing (ECT) Supplemental Funding for Health Centers; American Rescue Plan Act Funding for Health Centers:**

Same as above

I. Procurement and Suspension and Debarment

Contractor cannot be suspended or debarred, nor can it make subawards under covered transactions to parties that are suspended or debarred. This program procures contracts for items needed to fulfil the requirements of funding such as the FHASES software utilized to track clients who receive contracts with contractors of program. This rule applies any time the non-Federal entity procures goods or services with funds that have been approved in the budget. Suspension and debarment apply to both procurements and subawards.

**Health Center Coronavirus Aid, Relief, and Economic Security (CARES) Act Funding; FY 2020 Expanding Capacity for Coronavirus Testing (ECT) Supplemental Funding for Health Centers; American Rescue Plan Act Funding for Health Centers:**

Same as above

L. Reporting

Recipients are responsible for managing and monitoring each project, program, subaward, function or activity supported by the award. Therefore, contractors are required to submit a series of reports to the NC Farmworker Health Program Coordinator in the ORH. These reports are specified in the contract agreement. Report formats are provided by the ORH and are designed to gather the data for reports required by the federal DHHS. The reports, reporting frequency, and due dates are as follows:

- Weekly data entry into Family Health Administration System Electronic Services (FHASES) database in order for ORH to submit the annual Unified Data System (UDS) report in February. This report provides essential data for reporting directly by the ORH to the Federal DHHS as required by the State's grant agreement with the Federal DHHS.
- Expenditure report by budget line-item is due monthly during the contract period by the 10<sup>th</sup> day following the month being reported to monitor expenditures per the budget of the contract, unless an alternate date approved in writing by ORH.

**Health Center Coronavirus Aid, Relief, and Economic Security (CARES) Act Funding; FY 2020 Expanding Capacity for Coronavirus Testing (ECT) Supplemental Funding for Health Centers; American Rescue Plan Act Funding for Health Centers:**

Same as above

M. Subrecipient Monitoring

Contractors that pass funding through to other entities must perform monitoring activities on each subrecipient to include reviewing reports submitted by the subrecipient, performing site visits to the subrecipient to review financial and programmatic records and observe operations, reviewing eligibility determinations for enrollees, and reviewing each subrecipient's single audit or program-specific audit results to ensure the subrecipient is in compliance.

**Suggested Audit Procedure** - Obtain a list of all subrecipients with which the grantee has agreements. Select a sample and verify that all monitoring activities are documented.

**Center Coronavirus Aid, Relief, and Economic Security (CARES) Act Funding; FY 2020 Expanding Capacity for Coronavirus Testing (ECT) Supplemental Funding for Health Centers; American Rescue Plan Act Funding for Health Centers:**

Same as above

N. Special Tests and Provisions

**Conflict of Interest and Certification Regarding No Overdue Tax Debt**

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 Uniform Guidance Appendix XI to Part 200. These requirements include the submission of a Notarized Conflict of Interest Policy and a written statement (if applicable) that the entity does not have any overdue tax debts as defined at the federal, State or local level. 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.

**Audit Objective** – Before receiving and disbursing State funds, determine whether the grantee (1) has adopted a conflict of interest policy and has it on file and (2) whether the grantee has any overdue tax debts at the federal, State or local level.

**Suggested Audit Procedures** -

1. Ascertain that the grantee has a conflict of interest policy as described above
2. Check the policy and verify through board minutes that the policy was adopted before the grantee received and disbursed State funds
3. Verify as to whether or not the grantee has any overdue tax debts at the federal, State or local level by reviewing tax reports filed with the appropriate government agencies and confirming via an inspection of the accounting records that all taxes were paid timely

**Health Center Coronavirus Aid, Relief, and Economic Security (CARES) Act Funding; FY 2020 Expanding Capacity for Coronavirus Testing (ECT) Supplemental Funding for Health Centers; American Rescue Plan Act Funding for Health Centers:**

Same as above