

93.243-1

**SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES
PROJECTS OF REGIONAL AND NATIONAL SIGNIFICANCE**

State Project/Program: STRATEGIC PREVENTION FRAMEWORK FOR PRESCRIPTION DRUG PREVENTION (SPF-RX)
STRATEGIC PREVENTION FRAMEWORK - PARTNERSHIPS FOR SUCCESS (SPF-PFS)
NC GRANTS TO PREVENT PRESCRIPTION DRUG/OPIOID OVERDOSE - RELATED DEATHS (PDO)

**U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION**

Federal Authorization: Children’s Health Act of 2000 Section 516 of the Public Health Service Act of 2000, Section 520A-J,581,582, Public Law 106-310; Public Health Service Act, Title V, Section 509,516,42 U.S.C.290bb.

State Authorization: NC General Statutes 122C; Developmental Disabilities, and Substance Abuse Act 1985

**N. C. Department of Health and Human Services
Division of Mental Health, Developmental Disabilities and Substance Use Services**

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SFY 2026 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 2025-2026). 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 Oct’ 2023-2026).

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.

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This State compliance supplement must be used in conjunction with the OMB 2026 Compliance Supplement which is scheduled to be issued in May 2026. The OMB supplement will include "Part 3 - Compliance Requirements," for the types that apply, and "Part 6 - Internal Control." If a federal Agency issued guidance for a specific program, this will be included in "Part 4 - Agency Program". The OMB Compliance Supplement is Section A of the State Compliance Supplement.

I. PROGRAM OBJECTIVES:

Primary prevention programs are those programs and services that are directed at individuals who have not been determined to require treatment for substance abuse. These comprehensive primary prevention programs give priority to target population subgroups that are at risk of developing a pattern of substance abuse.

This clustered compliance supplement pertains to the three programs funded by SAMHSA:

- Strategic Prevention Framework - Prescription Drug Prevention (SPF Rx)
- Strategic Prevention Framework- Partnerships for Success (SPF-PFS)
- NC Grants to Prevent Prescription Drug/Opioid Overdose-Related Deaths (PDO)

Strategic Prevention Framework - Prescription Drug Prevention (SPF Rx)

The purpose of the SPF Rx grant is to strengthen existing efforts to prevent prescription drug misuse and abuse, target youth ages 12-17 and adults 18 and older, by employing evidence-based strategies and interventions. The program is designed to 1) raise awareness about the dangers of sharing medications and working with pharmaceutical and medical communities on the risks of overprescribing and 2) raise community awareness and bring prescription drug abuse prevention activities and education to schools, communities, parents, prescribers, and their patients. Seven counties were awarded based on data indicators – Robeson, Scotland, Columbus, Mitchell, Caldwell, Wilkes, and Surry.

The goals and objectives for the SPF-Rx are:

Goal 1: To raise community awareness and educate about the dangers of sharing medications.

Objectives:

- (1.1) To increase awareness and educate about risks associated with sharing medications.
- (1.2) To increase awareness and educate about secured storage of prescription drugs.
- (1.3) To increase awareness and educate about proper disposal of expired and/or no longer needed prescription drugs.

Goal 2: To work with the medical communities on the risks associated with overprescribing to young adults.

Objectives:

- (2.1) To increase awareness about the safer prescribing practices.
- (2.2) To decrease the young adult prescribing rate.
- (2.3) To increase the registration and utilization of Prescription Drug Monitoring Program (PDMP).

Strategic Prevention Framework- Partnerships for Success (SPF-PFS)

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The purpose of SPF-PFS is to prevent the onset and reduce the progression of high-risk drinking behaviors and/or underage alcohol use, prescription medication misuse, cannabis product use, and their related consequences as well as enhance quality mental health promotion, social-emotional health, and resilience among youth and young adults 12 – 25 years old.

The goals and objectives for the SPF-PFS are:

Goal 1: Increase perceptions of harm of alcohol, prescription medication misuse, and cannabis products, among youth and young adults 12-25 in historically marginalized and/or underserved communities.

Objectives:

- (1.1) To increase awareness and educate about risks associated with sharing medication by 2028.
- (1.2) 10% increase in perceptions of underage drinking harms among youth ages 12-20 by 2028.
- (1.3) 10% increase in perceptions of binge drinking harms by young adults ages 21-25 by 2028.
- (1.4) 10% increase in perceptions of cannabis products, CBD, Delta 8/10/P, and synthetic marijuana harms youth and young adults ages 12-25 by 2028.
- (1.5) 10% increase in perceptions of prescription medication misuse harms by youth and young adults ages 12-25 by 2028.

Goal 2: Decrease easy access to alcohol and prescription medications among youth and young adults 12-25 in marginalized and/or underserved communities.

Objectives:

- (2.1) 10% increase in secure home alcohol storage as evidenced by youth and young adult reports that alcohol is securely stored in the home by 2028.
- (2.2) 10% decrease in underage people reporting buying alcohol as evidenced by reports by youth and young adults 12-25 that they successfully purchased alcohol by 2028.
- (2.3) 10% increase in secure storage of prescription medications in the home as evidenced by reports by youth and young adults 12-25 that prescription medications are stored securely in the home by 2028.

Goal 3: Reduce the onset and progression of alcohol, prescription medication misuse, and cannabis products among youth and young adults 12-25 in historically marginalized and/or underserved communities.

Objectives:

- (3.1) 10% decrease in past 30-day alcohol use among underage youth ages 12-20 by 2028.
- (3.2) 10% decrease in past 30-day binge drinking by young adults ages 21-25 by 2028.
- (3.3) 10% decrease in past 30-day use of cannabis products, CBD, Delta 8/10/P, and synthetic marijuana by youth and young adults ages 12-25 by 2028.
- (3.4) 10 % decrease in past 30-day misuse of prescription medications by youth and young adults 12-25 by 2028.

Goal 4: Promote social emotional health and resilience and impact indicators of mental health among youth and young adults 12-25 in marginalized and/or underserved communities.

Objectives:

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- (4.1) 10% decrease in past 30-day alcohol use among underage youth ages 12-20 by 2028.
- (4.2) Increase by 10% the reported feelings of connectedness to family, friends, school, and community by youth and young adults 12-25 by 2028.
- (4.3) 10% increase in resiliency in youth and young adult ages 12-25 as evidenced by reported feelings that they can solve difficult problems, are confident that they can deal with unexpected events, think of a solution if in trouble, and handle whatever comes their way by 2028.
- (4.4) 10% increase in youth and young adults ages 12-25 perceiving their mental health as “very good” or “good” by 2028.
- (4.5) Increase the awareness of youth and young adults ages 12-25 of the new 988 Suicide and Crisis Lifeline by 20% by 2028.
- (4.6) Increase educational and public health workers’ use of screening protocols for youth and adults ages 12-25 at risk for suicidal ideation and suicidal behaviors by 30% by 2028.

Goal 5: Increase the prevention infrastructure capacity in underserved communities to utilize the Strategic Prevention Framework to implement data-driven substance misuse prevention and mental health promotion strategies.

Objectives:

- (5.1) Increase the infrastructure and capacity in underserved communities to use data in decision making, be able to identify disparities, identify and implement evidence-based strategies that meet community needs, and evaluate efforts and make midcourse corrections, as measured by successful completion of PFS project implementation activities and deliverables, by 2028.

NC Grants to Prevent Prescription Drug/Opioid Overdose-Related Deaths (PDO)

The purpose of PDO is to reduce the number of prescriptions for drug/opioid overdose-related deaths and adverse events among individuals 18 years of age and older by training first responders and other key community sectors on the prevention of prescription drug/opioid overdose-related deaths and implementing secondary prevention strategies, including the purchase and distribution of naloxone first responders.

The goals and objectives for PDO are:

Goal 1: To reduce the rate of opioid overdose in high-need communities

Objectives:

- (1.1) To decrease the rate of opioid-related emergency department visits by 10% by 2026
- (1.2) To decrease the rate of opioid related deaths by 10% by 2026

Goal 2: Identify and train first responders and others in the use of naloxone in high-need communities

Objectives:

- (2.1) Increase the number of first responders trained on the use of naloxone by 20% by 2026
- (2.2) Increase the number of public health professionals, substance misuse coalition members, and other community members trained in the use of naloxone by 20% by 2026

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Goal 3: Supply naloxone for first responders and others in high-need communities

Objectives:

- (3.1) Increase naloxone availability by at least 20% per year through purchasing naloxone
- (3.2) Distribute naloxone to at least 25% of locations with attempted reversals each year

Goal 4: Refer individuals to treatment and recovery services in high-need communities

Objectives:

- (4.1) 10% decrease in past 30-day alcohol use among underage youth ages 12-20 by 2028.
- (4.2) Increase the percentage of individuals referred to treatment after a successful reversal by 20% by 2026
- (4.3) Increase the percentage of individuals receiving treatment after a successful reversal by 10% by 2026

Goal 5: Work with medical professionals on the risks of overprescribing to young adults in high-need communities

Objectives:

- (5.1) Increase the number of medical professionals trained on the risks of overprescribing by 10% by 2026
- (5.2) Increase PDMP utilization by 10% by 2026
- (5.3) Decrease in high risk prescribing among young adults ages 18-25 years old by 10% by 2026

Goal 6: Raise awareness about the dangers of sharing medications in high-need communities

Objectives:

- (6.1) 10% Increase secure medication storage by 10% by 2026
- (6.2) Increase safe medication disposal by 10% by 2026

II. PROGRAM PROCEDURES

Prevention discretionary grants (SPF-Rx, SPF-PFS, and PDO) are administered at the federal level by the Substance Abuse Mental Health Services Administration (SAMHSA), Center for Substance Abuse Prevention (CSAP), in its strategic approach to strengthen state and community level prevention capacity to identify and address local substance use prevention concerns as well as implement evidenced substance prevention strategies. Through a competitive notice of funding opportunity (NOFO) process, SAMHSA awards funds to states depending on states' program alignment with SAMHSA's strategic priorities and availability of funds. The funds are allocated to DMH/DD/SUS (DMH) and then awarded to local communities (coalitions, nonprofits organizations and local county health departments). There is no cost sharing or match required.

DMH awards funds to subrecipients through competitive requests for applications (RFA) process. Once subrecipients are awarded, grant funds are transferred to the local community subrecipients through allocations to Local Management Entities/Managed Care Organizations (LME/MCOs). LME/MCOs subcontract with local prevention providers (awarded through RFA) to deliver the required primary substance use prevention services within their catchment area. Required activities include:

Strategic Prevention Framework - Prescription Drug Prevention (SPF Rx)

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1. Utilize the Strategic Prevention Framework (SPF) to plan and implement the initiative.
2. Provide services in one or more of these counties: *Burke, Caldwell, Cherokee, Clay, Columbus, Mitchell, Richmond, Robeson, Scotland, and Swain.*
3. Develop and demonstrate an understanding of local conditions pertaining to prescription drug misuse and abuse to support the scope of the proposed project application.
4. Develop and demonstrate the ability to plan and mobilize their community to address local conditions relevant to substances targeted in the proposal.
5. Develop a comprehensive action plan with a primary focus on evidence-based environmental management strategies, including but not limited to addressing prescription drug misuse. Harm reduction approaches are not permitted under the terms of this funding including the purchase of naloxone.
6. Implement a comprehensive environmental management approach which includes evidence-based programs, policies and practices that address prescription drug misuse.
7. Create a sustainability plan with options for fundraising as necessary.
8. Participate in technical assistance and training related to the SPF-Rx grant.

Strategic Prevention Framework- Partnerships for Success (SPF-PFS)

1. Utilize the Strategic Prevention Framework (SPF) to plan and implement the initiative.
2. Provide services in one or more of these counties: *Bertie, Bladen, Duplin, Edgecombe, Greene, Halifax, Hertford, Hoke, Lenoir, Martin, Nash, Northampton, Robeson, Sampson, Scotland, Tyrrell, Washington, and Wayne.*
3. Address alcohol use and in addition, may also choose to address cannabis product use or prescription medication misuse, based on local data and community readiness.
4. Ensure implementation of proposed evidence-based and evidence-informed prevention strategies is part of a comprehensive prevention approach to best address identified community needs.
 - a. Select at least two strategies addressing substance use prevention specifically.
 - b. Select at least one strategy addressing mental health promotion, social-emotional health, and/or resiliency.
5. Build local community capacity to address substance use/misuse and mental health.
6. Participate in technical assistance and training related to the grant.

NC Grants to Prevent Prescription Drug/Opioid Overdose-Related Deaths (PDO)

1. Utilize a multi-phased approach that educates the public about the dangers of sharing medications, raises awareness among pharmaceutical and medical communities on the risks of overprescribing, and implements overdose death prevention strategies.
2. Provide Prescriber and Dispenser Education Training
3. Naloxone Distribution to Community Groups and First Responders - develop a naloxone distribution plan and a training course for first responders and others on the use of naloxone tailored to meet the needs of their communities.
4. Work to strengthen the capacity of communities to develop policies and practices that prevent, and allow for appropriate responses to, prescription drug/opioid-related overdoses, including post-overdose referral to treatment and recovery services.
5. Link to Treatment/Recovery Services - Communities will work to build upon the North Carolina Harm Reduction Coalition's Linkage to Care program that links high risk

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opioid users encountered during outreach and naloxone distribution efforts to medication assisted treatment.

- 6. Implement Lock Your Meds Campaign – This campaign is focused on education regarding the dangers of improperly storing and disposing of prescription medications.

III. COMPLIANCE REQUIREMENTS

Noted below in the following matrix are the types of compliance requirements (Types) for this federal program identified by either the federal or State agency with a “Y” that are subject to the audit. The auditor must determine if the Type noted by “Y” has a direct and material effect on the federal program for the auditee. If the Type is determined to be subject to audit, the auditor must use the OMB 2026 Compliance Supplement, Part 3 and Part 4 (if an OMB supplement is issued) in addition to this State supplement to perform the audit.

If the State determines that the federal requirement does not require testing at the local level or if the State modifies the federal requirements, this is discussed in the supplement under the type of compliance requirement. Auditors are not expected to test requirements that have been noted with an “N.”

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	N	N	Y	Y	N

A. ACTIVITIES ALLOWED OR UNALLOWED

Allowable activities under this grant are those activities that are aligned with the Program Objectives and Program Procedures for each grant as outlined above.

Unallowed activities are any activities that are provided to clients who have a diagnosis of substance use, dependence or addiction.

Audit Objective

- Determine that expenditures were incurred for allowable activities consistent with specific grant and allocation guidance

Suggested Audit Procedures

1. Obtain and review the allocation letter(s) and contracts or agreements between the auditee and the State agency and, if applicable, between the auditee and its subrecipients, to identify approved activities, restrictions, and special conditions.
2. Review approved budgets and/or spend plans, if required by the State agency or allocation letter, to determine whether planned activities align with authorized program objectives and allowable uses of funds.
3. Select a sample of expenditures or program activities and:

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4. Trace the expenditures to the approved budget or spend plan, if applicable;
5. Determine whether the activities or costs support approved activities identified in the allocation letter and contract; and
6. Verify that expenditures are consistent with the approved purpose of the award.
7. Inquire of management regarding procedures in place to ensure expenditures and activities remain consistent with approved contracts, budgets, and spend plans.
8. For auditees that pass funds to subrecipients, review a sample of subrecipient budgets or spend plans, if required, and determine whether the auditee performed a review to ensure subrecipient activities were allowable under the program.

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 and 2 CFR, Part 200 Subpart E – Cost Principles.

Certain expenditures are considered non-allowable and are not included in the cost allocation. Fixed assets and moveable assets costing \$5,000 or more must be reported on the cost finding as assets. (Moveable assets costing less than \$5,000 may be directly expensed.)

Funds must be expended or earned in accordance with the Performance Agreement between the DMHDDSUS and the LME-MCO, including amendments via individual allocation letters.

Funds designated for substance abuse may be used for planning, establishing, maintaining, coordinating, and evaluating projects for the development of more effective prevention and treatment programs and activities to deal with substance abuse (42 U.S.C. 300x-3(a)(1) 1989 Revision).

SPECIAL CONDITIONS:

1. The award of these funds shall not be used by a county or LME-MCO as a basis to supplant any portion of a county's commitment of local funds to the area authority or LME-MCO.
2. If these funds shall be used to support a new service for which a license and/or accreditation is required, such licensure/accreditation shall be completed prior to the delivery of services.
3. If these funds shall be used for a new service which does not have an established reimbursement rate, a new Service Objective Form must be submitted and approved by the Division before any payments are made.
4. The funds provided shall not be used to supplant Federal or non-Federal funds for services or activities which promote the purposes of the grant or funding.
5. The funds provided shall not be utilized to supplement any reimbursement for services or staff activities provided through the NC Medicaid Program.
6. The funds provided shall not be utilized to supplement any reimbursement for services or staff activities supported through the Division's payment of other UCR or non-UCR funds, without the prior written approval of the DMH/DD/SUS Assistant Director of Budget and Finance and the Assistant Director of Prevention.

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7. The funds provided shall be fully utilized, monitored, and settled in compliance with the conditions of the current Contract Agreement between the LME-MCO and DMH/DD/SUS, with the full adherence of the LME-MCO and its sub-recipient contractors to all applicable State and federal laws, rules, regulations, policies, guidelines, standards, agreements, protocols, plans, and communications.
8. Funds shall be used in accordance with SAMHSA's standard funding restrictions:
 - Funds shall not be used for substance use or other treatment services covered by Medicaid reimbursement.
 - No purchases are allowed for any one item above \$5,000 without prior written permission from DMH/DD/SUS.
 - Funds shall not be used for facility purchase, construction or renovation.
9. Funds shall be used in accordance with cost principles describing allowable and unallowable expenditures for nonprofit organizations in accordance with OMB Circular A-122.
10. SPF-Rx, SPF-PFS and PDO funds are prohibited to be used to make, or to allow to be made, any cash payments to any recipients or intended recipients of health or behavioral health services.
11. Agencies or organizations receiving federal funds are required to receive prior written approval from the Assistant Director of Prevention regarding the use of evidence-based program incentives, including the specification of the type(s) and equivalent dollar value(s) of any such nominal incentives offered, and the manner of utilization of any such approved incentives for clients, recipients, students, or other persons. The provision of cash is strictly prohibited, as is the provision of gift cards, which are cash equivalents (except for data collection purposes). Programs are strictly prohibited from utilizing any incentive items that could potentially be converted to cash, or that could be used for the purchase of any age-restricted product, such as tobacco, alcohol, drugs, weapons, or lottery tickets or any sexually oriented materials or contraceptives.
12. SPF-Rx, SPF-PFS and PDO funds are prohibited to be used for the purchase or improvement of land, purchase, construction or permanent improvement (other than minor remodeling) of any building or other facility, or purchase of major equipment, including medical equipment.
13. SPF-Rx, SPF-PFS and PDO funds are prohibited to be used to satisfy any requirement for the expenditure of non-Federal funds as a condition of receipt of Federal funds. (i.e., Federal funds may not be used to satisfy any conditions for any state, local or other funding match requirement).
14. SPF-Rx, SPF-PFS and PDO funds are prohibited to be used to provide financial assistance to any entity other than a public or nonprofit private entity.
15. SPF-Rx and SPF-PFS funds are prohibited to be used to provide individuals with hypodermic needles or syringes so that such individuals may use illegal drugs. PDO funds may be used for the purchase of syringes for the intramuscular administration of naloxone in accordance with SAMHSA's updated guidelines.
16. SPF-Rx, SPF-PFS and PDO funds are prohibited to be used to provide individuals with treatment services in penal or correctional institutions of the State (This includes

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- jails, prisons, adult and juvenile detention centers, juvenile training schools, holding facilities, etc.).
17. SPF-Rx, SPF-PFS and PDO funds are prohibited to be used towards the annual salary of any contractor or subcontractor, including LME-MCO, provider, or contractor employee, consultant, or other individual that is more than Level I of the most current US Office of Personnel Management Federal Executive Salary Schedule.
 18. SPF-Rx, SPF-PFS and PDO funds shall not be utilized for law enforcement activities.
 19. No part of any SPF-Rx, SPF-PFS or PDO funding shall be used for publicity or propaganda purposes, for the preparation, distribution, or use of any kit, pamphlet, booklet, publication, radio, television, or video presentation designed to support or defeat legislation pending before the Congress or any State legislature, except in presentation to the Congress or any state legislative body itself; No part of any SPF-Rx funding shall be used to pay the salary or expenses of any grant or contract recipient, or agent acting for such recipient, related to any activity designed to influence legislation or appropriations pending before the Congress or any state legislature. Funds shall be used in accordance with HHS Grant Policy Statements.
 20. LME-MCOs are prohibited from withholding or deducting any portion of allocated federal funds for the support of any LME-MCO activity or function. All allocated funds are required to be fully contracted by the LME-MCO for approved expenditure by eligible non-profit sub-recipient organizations.

Audit Objective

- Determine that costs charged to the program are reasonable, necessary, and allowable under federal cost principles and allocation restrictions.

Suggested Audit Procedures

1. Test a sample of expenditures for allowability, allocability, and reasonableness.
2. Review supporting documentation for selected costs.
3. Determine whether costs comply with allocation letter and contract restrictions.

C. CASH MANAGEMENT

Requirement

1. Funds are disbursed on a reimbursement basis, except as otherwise approved in writing by DMH.
2. Payments must be requested only after costs are incurred.
3. Subrecipients must submit proper supporting documentation to receive reimbursement.

Audit Objective

- Ensure subrecipients request reimbursement only for expenditures actually incurred and appropriately documented.

Suggested Audit Procedures

1. Trace reimbursement requests to supporting invoices and payroll.
2. Verify expenditures were properly approved before reimbursement.

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3. Inspect FSRs submitted to DMH for accuracy and timeliness.
4. Confirm that no advance payments were made without proper authorization.

E. ELIGIBILITY

These are capacity-building grants. Eligibility is monitored by the Division through data submitted by subrecipients to determine that outreach is being made to the target population for each grant.

Strategic Prevention Framework for Prescription Drug Prevention (SPF Rx)

1. Serve youth from ages 12-17 and adults aged 18 and over, parents, families and community members.
2. Provide services in one or more of these counties: Robeson, Scotland, Columbus, Mitchell, Caldwell, Wilkes and Surry.
3. Non-profit entity with demonstrated presence and operations in North Carolina for a minimum of 1 year prior to application submission.
4. Have a current state funded contract or established relationship with one or more LME/MCOs.

Strategic Prevention Framework - Partnerships for Success (SPF-PFS)

1. Focus on youth and young adults between the ages of 9 to 20.
2. Provide services in one or more of these counties: *Bertie, Bladen, Duplin, Edgecombe, Greene, Halifax, Hertford, Hoke, Lenoir, Martin, Nash, Northampton, Robeson, Sampson, Scotland, Tyrrell, Washington, and Wayne.*
3. Demonstrated presence and operations in North Carolina for a minimum of 1 year prior to application submission.
4. An existing provider within an LME/MCO network (or willingness to become a network provider).

NC Grants to Prevent Prescription Drug/Opioid Overdose-Related Deaths (PDO)

The eleven high-need communities have been targeted based on data indicators showing above average rates of emergency department visits and deaths related to opioid use (licit and/or illicit), above average rates of opioid prescribing, and a history of reported community naloxone reversals. Adults aged 18 and over are the primary target for this program.

H. PERIOD OF PERFORMANCE

Requirement

Funds awarded may be used only for allowable costs and activities incurred during the approved period of performance specified in the allocation letter or contract.

The period of performance is established by the State agency and varies by allocation. Costs are considered incurred when the underlying goods or services are received and the related obligation is recorded, in accordance with applicable accounting policies.

Expenditures may not be charged to the program if they:

1. Are incurred before the start date or after the end date of the approved funding period.
2. Relate to obligations or activities outside the scope of the approved period.

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3. Represent advance payments or prepayments for services to be performed outside the approved period of performance; or
4. Are otherwise inconsistent with the timing requirements specified in the allocation letter or contract.
5. If allocation letters or contracts allow for carryforward, extensions, or adjustments to the period of performance, such changes must be formally approved in writing by the State agency.

Audit Objective

- Verify all costs charged to the program fall within the allowed period.

Suggested Audit Procedures

1. Obtain and review the allocation letter(s) and contracts or agreements to identify the approved period of performance for the program.
2. Select a sample of expenditures charged to the program and:
3. Verify that the expenditure dates fall within the approved period of performance; and
4. Determine that the underlying goods or services were received during the approved funding period.
5. Review supporting documentation (e.g., invoices, payroll records, service delivery documentation) to confirm that costs were incurred within the approved period.
6. Inquire of management whether any extensions, carryforwards, or modifications to the period of performance were granted and, if so, review written approval from the State agency.
7. For reimbursement-based funding, determine whether expenditures submitted for reimbursement were incurred during the approved period prior to reimbursement.
8. For auditees that pass funds to subrecipients, review a sample of subrecipient expenditures to determine whether the auditee performed procedures to ensure subrecipient costs were incurred within the approved period of performance.

L. REPORTING

Financial Reports:

Federal funds are allocated outside of Unit Cost Reimbursement (UCR), and approved expenditures shall be reported by the Local Management Entity- Managed Care Organization (LME-MCO) through the routine submission of monthly Financial Status Reports (FSRs). Any exceptions to the required timely reporting of federal funds expended, shall be approved in writing by the DMH/DD/SUS Assistant Director of Budget and Finance and the Assistant Director of Prevention.

Program Reports:

Strategic Prevention Framework for Prescription Drug Prevention (SPF Rx)

The LME-MCO is required to ensure funded agencies: 1) submit quarterly monitoring information in accordance with the SAMHSA-CSAP SPF-Rx Evaluation Requirements and 2) enter program level reporting information into the DHHS data reporting systems as directed. Reports shall be submitted to the Assistant Director of Prevention.

Strategic Prevention Framework - Partnerships for Success (SPF-PFS)

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The LME-MCO is required to ensure funded agencies: 1) submit the Community-Level Instrument (CLI-R) report and community outcomes data to the Program Evaluation for Prevention Contract (PEP-C) quarterly and biannually to DMH/DD/SUS and 2) submit monthly program level reports to the Assistant Director of Prevention.

NC Grants to Prevent Prescription Drug/Opioid Overdose-Related Deaths (PDO)

The LME-MCO is required to ensure funded agencies: 1) complete and submit quarterly reports in accordance with the SAMHSA-CSAP PDO Data Collection and Evaluation Requirements and 2) submit monthly program level reports to the Assistant Director of Prevention.

M. SUBRECIPIENT MONITORING

Requirement:

The subrecipient must monitor any sub-subrecipients receiving funding to ensure compliance with program requirements, proper use of funds, and accurate reporting. Documentation of monitoring activities must be maintained in accordance with 2 CFR 200.331(d) and program policies.

Audit Objective

6. Determine whether the subrecipient:
 - Properly identifies all sub-subrecipients receiving program funds.
 - Monitors the sub-subrecipients to ensure compliance with program requirements, including financial and programmatic reporting.
 - Maintains adequate documentation of monitoring activities, findings, and any corrective actions.

Suggested Audit Procedures

1. Obtain a list of all sub-subrecipients funded by the organization during the audit period and verify completeness.
2. Review funding agreements or contracts with sub-subrecipients to ensure they:
 - Specify award amount, period of performance, and allowable activities.
 - Include required certifications or attestations of compliance with program requirements.
3. Inspect budgets, spend plans, and financial reports submitted by sub-subrecipients to ensure proper tracking of allocated funds.
4. Examine monitoring documentation maintained by the subrecipient, including:
 - Site visit reports or desk review notes.
 - Correspondence documenting follow-up on compliance findings or corrective actions.
 - Evidence that monitoring activities are performed regularly in accordance with policy.
5. Cross-check sub-subrecipient expenditures against the subrecipient's reimbursement requests to verify that all disbursements are properly supported and accounted for.
6. Confirm retention of monitoring records in accordance with program and record retention requirements.