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CHAFEE EDUCATION AND TRAINING VOUCHERS PROGRAM (ETV)

State Project/Program: N. C. LINKS PROGRAM – EDUCATION AND TRAINING VOUCHERS (ETV)

**U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION FOR CHILDREN AND FAMILIES**

Federal Authorization: Social Security Act, Title IV-E, Sections 474 and 477 as amended by P.L. 106-169, the Foster Care Independence Act of 1999 and P.L. 115-123, the Family First Prevention Services Act of 2018. Program instructions and procedures are outlined in ACYF-CB-PI-03-36

**N. C. Department of Health and Human Services
Division of Social Services**

Agency Contact Person – Program:

Carla McNeill, MSW
(919) 527-6391
Carla.mcneill@dhhs.nc.gov

Agency Contact Person – Financial

Felicia Harris
(919) 527-6146
Felicia.Harris@dhhs.nc.gov

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 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 **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)”

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.

N. C. LINKS PROGRAM – EDUCATION AND TRAINING VOUCHERS (ETV)

I. PROGRAM OBJECTIVES

To provide resources to States and eligible Indian Tribes to make available vouchers for post-secondary training and education, to youth who are likely to age out of foster care or who have been adopted or left for kinship guardianship from the public foster care system after age 16, or who were in foster care on or after their 17th birthday.

II. PROGRAM PROCEDURES

The State completes the annual CFS-101 that provides an estimate of annual funds. The Administration of Children and Families (ACF) awards funds to states depending upon funding availability. These funds require a twenty-percent match which may consist of State funds or allowable in-kind match.

Subrecipients submit an annual contract proposal to the State and funds are awarded. Subrecipients acquire their grant award via the N. C. DHHS Office of Procurement and Contracting procedures referenced at

<https://ncadmin.nc.gov/government/procurement/procurement-rules>. Funds are distributed to the subrecipient monthly upon submission of a DSS-1571 invoice to the State.

Eligible youth are required to apply for funding by completing the subrecipient application online. Eligibility is determined by the NC State LINKS Program and communicated to the subrecipient. Funds are distributed to eligible applicants depending upon need and funding availability up to \$5,000 per year and upon verification of their enrollment in a post-secondary or vocational institution. Funds may be used for cost of attendance and other allowable expenses.

Subrecipients are monitored by the NC State LINKS Program in accordance to the NC Department of Health and Human Services, Division of Social Services Subrecipient Monitoring Plan – Contracts, found at: [NC Sub-Recipient Contract Monitoring Plan](#).

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.

N. C. LINKS PROGRAM – EDUCATION AND TRAINING VOUCHERS (ETV)

CC	A	B	C	E	F	G	H	I	J	L	M	N
Cross Cutting Requirements	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	N	Y	N	N	Y	Y	N	N	Y	N

The compliance requirements in Supplement “DSS-0 Crosscutting Requirements” are applicable to this grant.

A. ACTIVITIES ALLOWED OR UNALLOWED

Funds may be used to provide vouchers for post-secondary education and training to youth who are/were in foster at age 17 otherwise eligible for services under the State’s or Tribe’s Chafee Foster Care Program for Successful Transition to Adulthood. Vouchers may also be provided to youth who leave foster care for adoption or kinship guardianship after age 16, or who are still in foster care on or after their 17th birthday. Vouchers can be provided to youth up to the age of 26, as long as they are enrolled in a postsecondary education or training program and are making satisfactory progress toward completion of that program. Vouchers provided to individuals may be available for the cost of attending an institution of higher education (as defined in section 472 of the Higher Education Act) and shall not exceed the lesser of \$5,000 per grant year or the total cost of attendance as defined in section 472 of the Higher Education Act.

No more than ten percent (10%) of the federal grant is dedicated to the administration of these funds. That portion of the funds is distributed between salaries and other administrative costs. The remainder of the funds may only be used for cash vouchers for the eligible students to pay for allowable expenses that are included in their cost of attendance. Vouchers are directly paid to third party vendors.

Recommended Audit Procedures:

Determine that students receiving Educational Training Vouchers are eligible for these funds by meeting all the criteria in section C, below;

Documentation of vouchers from Foster Care to Success specifies that the student is eligible for ETV and that any expenditure is allowable under the principles of the Act.

Documentation of administrative expenditures from Foster Care to Success is allowable under the budget.

B. ALLOWABLE COSTS/COST PRINCIPLES

Funds provided to the subrecipient for administration may only be used for salaries, annual audit expenses, web-based application, case management services,

N. C. LINKS PROGRAM – EDUCATION AND TRAINING VOUCHERS (ETV)

mentoring services, marketing and promotional materials, insurance, equipment, and supplies.

Funds provided to or on behalf of applicants may be used for:

- Tuition and fees;
- On-campus room and board or a housing and food allowance for off-campus students;
- Allowances for books, supplies, transportation, loan fees, and, if applicable dependent care;
- Costs related to a disability;
- Miscellaneous expenses, including rental or purchase of a personal computer;
- Reasonable costs associated with eligible study-abroad programs.

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.

E. ELIGIBILITY

Applicants are eligible for up to \$5,000 in financial assistance to attend a qualifying educational or vocational training institution which provides post-secondary coursework. The award is based on the total cost of attendance less other federal grants and scholarships. The award may not exceed \$5,000.

- Applicant is now between 18 and 20 years of age. If now 21 to 26 years of age, must have received ETV funds prior to 21st birthday and;
- Applicant was in foster care on or after his/her 17th birthday or was adopted from foster care on or after his/her 16th birthday or placed in a relative guardianship on or after his/her 16th birthday and;
- Applicant is attending a qualifying institution of post-secondary learning. Full time students qualify for up to \$5,000 a year for all the above expenses; students attending part time qualify for up to \$2,500 per year in tuition/fees, books, supplies, transportation, and dependent-care expenses and;
- Applicant is either a U. S. Citizen or is a qualified resident alien.
- Applicant does not have more than \$10,000 in personal reserves.

H. PERIOD OF PERFORMANCE

Federal grants are provided to the State for the Federal Fiscal Year October 1 through September 30. Funds are awarded to subrecipients on a State Fiscal Year July 1 through June 30.

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

N. C. LINKS PROGRAM – EDUCATION AND TRAINING VOUCHERS (ETV)

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

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/procurement/procurement-rules>

Nongovernmental subrecipients shall maintain written Procurement policies that are followed in procuring the goods and services required to administer the program.

Suspension and Debarment applies to any sub-contractor.

Debarred vendors can be found at:

<https://ncadmin.nc.gov/documents/nc-debarred-vendors>

M. SUBRECIPIENT MONITORING

Subrecipients are monitored by the NC State LINKS Program in accordance to the NC Department of Health and Human Services, Division of Social Services Subrecipient Monitoring Plan – Contracts, found at: [NC Sub-Recipient Contract Monitoring Plan](#).