

**HURRICANE RELIEF and RECOVERY STATE FUNDS (PRC 0230)
NCDPI-10 COMPLIANCE SUPPLEMENT**

N. C. Department of Public Instruction

State Authorization:

North Carolina State Law 2024-51
North Carolina State Law 2024-53

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N.C. DPI Confirmation Reports:

Confirmation of Funds Expended and/or Disbursed from the State Public School Fund from independent auditors that the PSU has taken best efforts and all reasonable steps to obtain alternative funds from insurance policies in effect and available federal aid. For non-State entities this provision includes seeking private donations to cover the losses or needs. Ensure no funds state funds have been provided for losses reimbursed through insurance or other entities, e.g., FEMA, Red Cross, private donations etc.

I. PROGRAM OBJECTIVES

The objective of the PRC 0230 is to provide funds to support PSUs impacted by Hurricane Helene.

II. PROGRAM PROCEDURES

Allocations will be made to each impacted PSU in a county that has been declared as a Hurricane Helene Disaster Area based on the formulas described in the Allotments manual (PRC 0230).

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 State agency noted by “Y.”

If the Matrix indicates “Y,” the auditor must determine if a particular type of compliance requirement has a direct and material effect on the State program for the auditee.

CC	1	2	3	4	5	6	7	8	9	10	12	13	14
Cross cutting	Activities Allowed or Unallowed	Allowable Costs/ Cost Principles	Cash Management	Conflict of Interest	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	N	N	Y	Y	N	Y	N	N

1. Activities Allowed or Unallowed

Compliance Requirement - Grant funds shall be used in order to comply with NC State Laws DPI- 2024-51 and 2024-53 and requirements outlined in the allotment PRC 0230.

Audit Objective:

- To determine that programs, services, and activities are allowable according to the requirements listed above.
- Determine the expenses have not been reimbursed through another means, such as Federal Funds, Insurance, donations, other grants or other sources.
- Tests of Hurricane Relief funds are Incident to Date. Test for duplicate reimbursement across fiscal years. It is necessary to review the reimbursements since the date of the hurricane to present. For instance, if federal reimbursement occurred in FY24, and an insurance reimbursement occurred in FY25, the PSU should only be reimbursed once. In regard to state funds, state funds would be the first to be reimbursed to the State.

Suggested Audit Procedures:

- Review internal controls designed to ensure expenditures are made only for allowable costs related to Hurricane Recovery.
 - Impacted local public school units receive an allotment based on the formulas outlined in the allotment manual PRC 0230. Ensure the total funds allotted specifically for Hurricane Helene Relief Efforts are only used in conjunction with PRC 0230. Ensure no other funds are received for the same purpose.
- Review expenditures and related records to determine whether programs, services, and activities funded by the State are allowable.
- Determine that over-expended allotments have been refunded to DPI on a timely basis.

- Determine if any Hurricane Relief funds are duplicative of funds previously received.
- If reimbursement funds have been received more than once, test to ensure the duplicate funding has been reimbursed.

Crosscutting (DPI-0) not required for this Type of Compliance requirement.

8. Period of Performance

Obligations must comply with NCGS 115C-441; expenses must be within fiscal year.

9. Procurement and Suspension and Debarment

Procurement must follow G.S.143-48-64.5; no debarred vendors.

Refer to the Crosscutting (DPI-0) for more testing requirements.

12. Reporting

Monthly reporting required; ensure expenditures align with hurricane relief and not reimbursed elsewhere.

Refer to the Crosscutting (DPI-0) for more testing requirements.