

**JUVENILE CRIME PREVENTION COUNCIL PROGRAMS
DEPARTMENT OF PUBLIC SAFETY
DIVISION OF JUVENILE JUSTICE AND DELINQUENCY PREVENTION**

State Authorization: G.S. Chapter 143B-845 through 853
N.C.A.C. Title 14B, Subchapter 11B
JCPC Program Agreement
JCPC Annual Plan

N.C. Department of Public Safety

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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.

I. PROGRAM OBJECTIVES

The primary intent of the enabling legislation for Juvenile Crime Prevention Councils (G.S.143B-845 through G.S. 143B-853) is to develop community-based alternatives to youth development centers and to provide community-based delinquency, substance abuse, and gang prevention strategies and programs. Additionally, it is the intent of the General Assembly to provide non-institutional dispositional alternatives that will protect the community and juveniles. The program objective is to provide, at the local level, an array of services, funded by state, local and other funds, for court-involved youth and youth deemed to be at-risk of juvenile court involvement. Juvenile Crime Prevention Councils (JCPCs) assess the risk and needs for their county and plan for programming based on those needs. The local public and private nonprofit agencies implement the programs.

II. PROGRAM PROCEDURES

With legislative changes effective January 1, 2023, the state-administering agency is the Department of Public Safety (DPS), Division of Juvenile Justice and Delinquency Prevention, Juvenile Community Programs Section, located at 3010 Hammond Business Place, 4212 Mail Service Center, Raleigh, North Carolina 27699-4212. Prior to January 1, 2023, the administering agency was the Department of Public Safety, Division of Adult Correction and Juvenile Justice. The Department of Adult Corrections became a stand-alone cabinet level department effective January 1, 2023 and the Division was renamed to the Division of Juvenile Justice and Delinquency Prevention (DJJDP). The state-administering agency will remain the Department of Public Safety (DPS), Division of Juvenile Justice and Delinquency Prevention, Juvenile Community Programs Section, located at 3060 Hammond Business Place, 4212 Mail Service Center, Raleigh, North Carolina 27699-4212. All General Statutes that govern the Juvenile Crime Prevention Council and its responsibilities have been re-codified and now are found in G. S. 143B- 845-853.

The DPS Area Consultants provide programmatic, financial and technical assistance to Juvenile Crime Prevention Councils, JCPC Programs and county government. Each County Board of Commissioners appoints a Juvenile Crime Prevention Council, which is comprised of membership based on statutory requirements. The JCPC recommends to the county a funding plan for an array of services to be funded with state funds from DPS, local and other funds. The county funding plan is submitted to the County Board of Commissioners for approval, after which it is submitted to the DPS Area Office. The services identified in the county funding plan are programs authorized by JCPC Program Agreements, which are four party agreements between the Program Provider, the JCPC, County Board of Commissioners and DPS. The Program Agreement details the services to be provided and the budget. Upon review by the DPS Area Consultant (located in the area office in their region), program agreements are electronically released for review and signature via DocuSign by all parties. Approved program agreements are electronically signed by the Program Manager, the JCPC Chairperson, the County Finance Officer, and the DPS Authorizing Official. Fully executed, approved Program Agreements are electronically filed and retained in the Department of Public Safety's web-based data system, NCALLIES (North Carolina: A Local Link to Improve Effective Services).

The signed Program Agreement certifies that DPS JCPC funds will not be used to duplicate programs or to supplant other program funds whose primary intent is to provide intermediate and community sanctions for adjudicated or diverted delinquents and status offenders. Prevention programs for youth at-risk may also be funded. The Program Agreement also provides for termination in whole or in part by the State in the event that funds allocated to DPS are eliminated or reduced to such an extent that, in the sole determination of the DPS, continuation of the obligations at the levels therein stated may not be maintained. Termination may also occur with cause or with 30 days' notice by either party or by mutual agreement of all parties. Also stipulated is the agreement of local government to provide compliance with audit procedures as required by North Carolina General Statutes and United States Law.

Revisions to the four party Program Agreements can be made any time during the funding period with a Program Agreement Revision. The Program Agreement Revision, which also is a four-party agreement, follows the same procedures for approval as the original Program Agreement. Program Agreement Revisions may incorporate significant changes in the services provided, changes in the expenditures or changes in other revenues in the line item budget. In some circumstances, Program Agreement Revisions require approval from county and state. Changes requiring prior approval are defined in N.C.A.C. Title 14B, Subchapter 11B.

The following fiscal reports are completed by all funded programs in NCALLIES:

1) Third Quarter Accounting (N.C.A.C., Title 14B, Subchapter 11B): This report, completed in NCALLIES, provides information regarding the expenditure rate and requests the amount of remaining funds not yet disbursed to the county. The report allows a program to reduce the amount

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of funding requested from the State to avoid a pay back at the end of the year if expenditures are less than anticipated. It is reviewed by the DPS Area Office prior to the initiation of the electronic signature process. The Third Quarter Accounting Report requires an electronic signature by the program manager, the program fiscal officer, the county finance officer/director and the JCPC Chairperson by the established deadline.

2) Final Accounting (N.C.A.C., Title 14B, Subchapter 11B): This report is completed in NCALLIES and submitted at the end of the Fiscal Year to report total revenues and expenditures for the program operation, unless a program closes during the fiscal year, whereby the final accounting process is completed at program closure. This report is reviewed by the DPS Area Office prior to the initiation of the electronic signature process for local signatures. The final accounting report requires an electronic signature by the program manager, the program fiscal officer and the county finance officer/director by the established deadline. Once the report is reviewed and electronically signed by all required parties, the DPS Area Office computes any payback due the state calculated through NCALLIES. The area office produces a refund notification/statement of refund due and electronically notifies the county finance officer/director and copying the program provider.

III. COMPLIANCE REQUIREMENTS

Noted below in the following matrix are the types of compliance requirements identified by the State Agency, noted by “Y” that are that are subject to the audit for the State program. The auditor must determine if the Type noted by “Y” has a direct and material effect on the State program for the auditee

1	2	3	4	5	6	7	8	9	10	12	13	14
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	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	N

1. & 2. *Activities Allowed or Unallowed/Allowable Costs/Cost Principles*

Compliance Requirement - Only services as outlined in the Program Agreement, or the most recently approved Program Agreement Revision, which are designed to remediate or prevent problem behavior, are allowable. JCPCs are allowed funding for administrative costs of conducting council business in a certification agreement that is exempt from this requirement.

Audit Objectives - Determine that services funded were allowable services and were provided to youth and/or their families.

Suggested Audit Procedures - Review the use of funds by the county or local government entities to be only for those programs identified by approved Program Agreements, or the most currently approved

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Program Agreement Revision, that specify direct services to youth and their families. JCPC administrative costs are exempt from this requirement.

3. Cash Management

Compliance Requirements – Disbursements from DPS for the programs funded by JCPCs are made on a monthly basis to the County Finance Offices by electronic payment to the respective county account. Monthly transmittals are made in equal payments beginning with the DPS approval month and continuing through the last month of the fiscal year unless the County follows a reimbursement process for funded programs. The County Finance Office must disburse the state funds in accordance with *28 NCAC 02A .0108 Disbursement, Revisions and Final Accounting* and any budgeted county funds to each program provider unless the County handles the fiscal administration of that program. Any interest earned should be applied back against program requirements.

Audit Objective – Determine that monthly disbursements were in accordance with the approved budget for the program identified by approved Program Agreements, or the most recently approved Program Agreement Revision. Determine if any interest earned was applied back to any program requirements.

Suggested Audit Procedures – Select months to compare monthly receipts and disbursements. For any surplus determine if any interest was earned. If interest was earned determine if it was applied to program requirements.

4. Conflict of Interest - **Not for Profits Only**

In accordance with the N.C.G.S. 143C-6-23 (b), every Grantee shall file with the State agency/Grantor a copy of the Grantee's agency policy addressing conflicts of interest that may arise involving the Grantee's management employees and the members of its board of directors or other governing body. The policy shall address situations in which any of these individuals may directly or indirectly benefit, except as the Grantee's employees or members of its board or other governing body, from the Grantee's disbursing of State funds and shall include actions to be taken by the Grantee or the individual, or both to avoid conflicts of interest and the appearance of impropriety. Agency conflict of interest policy shall be submitted to the Department of Public Safety (DPS) to avoid any delay with the disbursement of DPS JCPC funds.

The Grantee shall upload in NCALLIES the *DPS Conflict of Interest Policy Statement Form DPS 13 001*, along with the agency's conflict of interest policy when applying for funding.

Accordingly, no member or board member of the private, nonprofit entity may receive directly or indirectly, any funds received from the State of North Carolina, except for duly, authorized staff compensation and benefits, and reimbursement for expenses actually incurred in connection with the private, nonprofit entity's business and in accordance with final approved grant agreements.

5. Eligibility

Compliance Requirements - Programs may admit and serve juveniles that are between the ages of six (6) and seventeen (17) defined as vulnerable juvenile, juveniles who have been adjudicated delinquent or undisciplined, juveniles under diversion contracts or plans, and/or juveniles at-risk for delinquency or juveniles under jurisdiction of and referred by Juvenile Court Services; or juveniles eighteen years of age or older, under the following conditions:

- a. On probation or otherwise under supervision of Juvenile Court Services; or under the jurisdiction of the court on post release supervision (PRS) or

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b. Not under juvenile court supervision but referred by School Resource Officers/School Administrators as a diversion from Juvenile Court Services or referred by District Court or referred as part of a School Justice Partnership agreement and attending school and consents to participate.

Programs must serve youth referred from Juvenile Court or Juvenile Court Services as a priority. The funded programs must be programs included as priority programs in the County JCPC Annual Plan.

Audit Objective - Determine if youth served met this requirement.

Suggested Audit Procedures

a. Determine the program type of each program funded from the first page of the Program Agreement or the most recently approved Program Agreement Revision. Compare to the County Plan priorities.

b. Request from each program or DPS Area Office a report for the period under review showing number of youth served and the breakdown by age and referral source. Determine the youth served are the appropriate age or under juvenile jurisdiction or by an exception for youth attending school and/or diverted for the program type. Determine approved referral sources made referrals for youth served and that priority was given to youth referred by Juvenile Court or Juvenile Court Services.

6. Equipment and Real Property Management

Compliance Requirement - Equipment purchased with DPS JCPC funds or matching local funds shall be used solely for the purpose stipulated in the Program Agreement, or most recently approved Program Agreement Revision, for the life of that equipment. Equipment is defined as equipment valued at \$500 or more with a life expectancy of more than one (1) year purchased with DPS JCPC funds or local match. An equipment inventory shall be maintained in NCALLIES and updated at least annually as part of the Final Accounting process. Disposal of such equipment, when necessary, shall be in accordance with DPS JCPC Policy (*Transfer and Disposal of Equipment Purchased with DPS JCPC Funds*) and in accordance with county policy. Should a program be discontinued during the useful life of the equipment, the county shall follow the policy cited in the N.C.A.C. Title 14B, Subchapter 11B for transfer of the equipment or the value to another youth serving program within the county upon the approval of DPS.

Audit Objective - Determine that equipment was purchased with funds budgeted for that purpose, that an equipment inventory is maintained for equipment purchased (*valued at \$500 or more with a life expectancy of more than one (1) year*) with DPS JCPC funds or matching local funds and that equipment transfer/disposal, when applicable, was handled in accordance with appropriate policy and N.C.A.C.

Suggested Audit Procedures

a. Review the equipment inventory form and the capital expenditures reported on the final accounting form in NCALLIES for consistency in equipment and value. Compare equipment listed on the inventory from with any equipment budgeted in the Program Agreement budget narrative and/or any Program Agreement Revision(s) that may have added equipment during the year.

b. Review all equipment inventories for reasonableness of items and values listed considering the program type and budget.

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c. Review disposal and/or transfers of equipment in accordance with N.C.A.C., Title 14B, Subchapter 11B.

7. Matching, Level of Effort, Earmarking

Matching

Compliance Requirement - County Government, local sources, and/or the program provider must match with either cash or in-kind contributions at a rate of 10%, 20% or 30% of the DPS JCPC dollars. DPS determines the match rate for each county. (N.C.A.C., Title 14B, Subchapter 11B) Counties are notified of their required match rate by DPS. Administrative costs included in the JCPC Certification do not require matching funds.

Audit Objective - Determine that the source of cash match is local and that the values of in-kind match are justified by documentation. JCPC Certifications are exempt from this requirement.

Suggested Audit Procedures

- a. Review documentation of the source of match designated on the Program Agreement as local to verify that the funds are not state or federal funds.
- b. Sample in-kind documentation in order to verify the value reported in the Final Accounting report.

Level of Effort

Compliance Requirement – DPS JCPC funds will not be used to duplicate or supplant other funds.

Audit Objectives - Determine that local funds were not decreased in DPS community programs as compared to the level of local match the prior year and replaced with DPS JCPC funds.

Suggested Audit Procedures - Compare the total local match budgeted and provided for the audit year compared to the total provided match for the prior year. Determine if the reduction in local funds was replaced with DPS JCPC funds.

8. Period of Performance - Availability of State Funds

Compliance Requirement – DPS JCPC funds shall be expended or encumbered within the state and county fiscal year July 1 through June 30 for the funding period of the Program Agreement.

Audit Objective - Determine expenditures reported on the Final Accounting Report were made or encumbered during the period July 1 through June 30 for the funding period of the Program Agreement. Verify whether there are documentation/invoices to support the expenditures made.

Suggested Audit Procedures - Review the agency records (i.e., general ledger) for expenditures dates and compatibility with reported expenditures on the Final Accounting Form.

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9. Procurement and Suspension and Debarment

Compliance Requirement - County and local non-profit agencies administering programs funded with DPS JCPC funds shall adhere to the county or agency procurement policies of the administering agency provided they conform to applicable state law and regulations and standards.

Audit Objective - Determine if any procurement of goods or services was made with DPS JCPC funds or required local match funds and if said procurement was made in compliance with procurement policy of the administering agency.

Suggested Audit Procedures - Review the expenditure records to identify any procurement made with DPS JCPC funds or required local match during the period of availability being audited. Review the applicable county or non-profit agency procurement policy. Test a sample of procurements to ascertain that the policies used are the same.

10. Program Income

Compliance Requirement - Local program providers may collect third party payments. All monies collected must be accounted for as revenues to the JCPC program and reported in the Final Accounting report. These projected revenues shall be budgeted on the Program Agreement *Sources of Program Revenue Information* page or the most currently approved Program Agreement Revision. (N.C.A.C. Title 14B Chapter 11B). All revenues collected for the services and the expenditures for the funding period represented in the Program Agreement or the current approved Program Agreement Revision shall be reported on the Final Accounting report.

Audit Objective - Determine program compilation of third-party collections and all revenues received for the expenditures budgeted in the Program Agreement or the most currently approved Program Agreement Revision and compare to the revenues reported on the Final Accounting Form.

Suggested Audit Procedures - Review Program Agreements or the most currently approved Program Agreement Revision to determine sources of income and compare to revenue reported on the Final Accounting report.

12. Reporting

Compliance Requirement – Programs complete:

a. Third Quarter Accounting reports in NCALLIES. (N.C.A.C., Title 14B, Subchapter 11B) This report provides information regarding the expenditure rate and requests the amount of remaining funds not as yet disbursed to the county. This report allows a program to reduce the amount of funding requested from the State to avoid a pay back at the end of the year if expenditures are less than anticipated. It is reviewed by the DPS Area Office prior to the initiation of the electronic signature process. Third Quarter Accounting Report requires an electronic signature by the program manager, the program fiscal officer, the county finance office/director and the JCPC Chairperson by the established deadline.

b. Final Accounting reports in NCALLIES. Programs are required to report total revenues and expenditures for the program operation. (N.C.A.C., Title 14B, Subchapter 11B) This report is reviewed by the DPS Area Office prior to the initiation of the electronic signature process for local signatures. Final Accounting requires an electronic signature by the program manager, the program fiscal office and the county finance officer/director by the established deadline. Once the report is reviewed and electronically signed by all required parties, the DPS Area Office computes any payback due the state calculated through NCALLIES. The DPS Area Office produces a refund

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notification/statement of refund due and electronically notifies the program provider, and the county finance/director.

Audit Objective – Determine if the Final Accounting report submitted to DPS accurately reports total actual revenues and expenditures for the funding period covered by the report. Determine if any payback requested by DPS was paid to DPS.

Suggested Audit Procedure – Request copies of the completed and signed reports from DPS. Test a sample of expenditures to ensure appropriateness. If a payback of funds was due to the state, request to see the cancelled check verifying repayment to the State along with supporting documentation received from DPS (Final Accounting).