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**IMMUNIZATION COOPERATIVE AGREEMENTS**

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**State Project/Program: CDC COVID-19 VACCINATION PROGRAM / AID TO COUNTY FUNDING**

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**U. S. Department of Health and Human Services  
Centers for Disease Control and Prevention**

**Federal Authorization:** Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (P.L. 116-260); Paycheck Protection Program and Health Care Enhancements Act; Consolidated Appropriations Act, 2021

**State Authorization:** N/A

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

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SFY 2021 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 2020-2021)”. Additionally, audit confirmation reports for Nongovernmental entities receiving financial assistance from DHHS are found at the same website except “[Non-Governmental Audit Confirmation Reports \(State Fiscal Years 2019-2021\)](#)”.

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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.

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This compliance supplement must be used in conjunction with the OMB 2021 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

The objectives of this program is to provide additional funding to the Local Health Department (LHD) to help support planning and implementation of on-site, satellite, temporary, or off-site mass COVID-19 vaccination. This includes clinical considerations for planning a vaccination clinic, including vaccine storage, handling, administration, and documentation. Large-scale clinics, such as those held in arenas or stadiums will likely require added logistical and technical considerations. This includes clinics that are open to the public and clinics that are for targeted populations only (i.e., critical workforce personnel and/or higher-risk priority groups).

### II. PROGRAM PROCEDURES

Local Health Departments (LHDs) will vaccinate prioritized populations most affected by COVID-19 with no-cost to the patient. Vaccines will be provided by the federal government through CDC. LHDs should identify groups and subgroups within the priority populations and develop and implement strategies to implement COVID-19 vaccine delivery. Conduct clinics that are open to the public and clinics that are for targeted populations only (i.e., critical workforce personnel and/or higher-risk priority groups). These clinics may be provisionally located at walk-through sites (churches, community centers, outdoor tents) or other settings such as mobile, curbside, or drive-through sites.

Ensure implementation of on-site, satellite, temporary, or off-site vaccination clinics by LHDs. This includes clinical considerations for planning a vaccination clinic, including vaccine storage, handling, administration, and documentation. Large-scale clinics, such as those held in arenas or stadiums will likely require added logistical and technical considerations. This includes all clinics that are open to the public. Other partners will be necessary to accomplish aspects of the local plan. e.g., local law enforcement, local emergency management, local hospitals.

Local health departments may use funds to enhance existing community partnerships to promote COVID-19 vaccination and disseminate information within priority populations. Partnerships could include a variety of community and faith-based organizations to reach at-risk populations, such as churches, barber shops, community health centers, refugee serving organizations, homeless shelters, jails/prisons, meat processing plants, and migrant farms.

Due to changing vaccine supply levels at various points during the COVID-19 vaccine supply roll-out, planning will need to be flexible to accommodate a variety of scenarios. It is anticipated that vaccine supply will be limited initially. The vaccine supply is projected to

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increase quickly, allowing vaccination efforts to be expanded to include additional critical populations and the general public.

Local health departments may hire additional personnel and/or enter into contracts to help support their work. Also supplies and PPE, which are an allowable cost needed to protect both staff and patients from COVID-19, for example:

### 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 federal agency, noted as “Y,” on the “Matrix of Compliance Requirements” located in Part 2 of the OMB 2021 Compliance Supplement; however, the State Agency may have added the Type and this is noted by “Y.” If the State determines that the federal requirement does not apply at the local level or if the State modifies the federal requirements, this is noted in the supplement under the type of compliance requirement. If the federal and/or State agencies have determined that the type is not applicable, it is noted by “N.”

If the Matrix indicates “Y,” the auditor must determine if a particular type of compliance requirement has a direct and material effect on the federal program for the auditee. For each such compliance requirement subject to the audit, the auditor must use the OMB 2021 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	N	Y	N	Y	Y	N	Y	Y	Y

#### A. Activities Allowed or Unallowed

Contractors, which include local health departments, are to complete activities as noted on their contract addenda/scope of work. See individual addenda scopes of work for more information. A general list of allowable and unallowable expenses/purchases are listed here:

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### Allowed

Local Health Departments may use funding for:

- a. Salary/Fringe Benefits
- b. Travel expenses
- c. Equipment
- d. Supplies
- e. General Contractual Services
- f. Indirect Costs
- g. Miscellaneous Expenses (Program advertising, communications, data processing, printing, shipping, software licenses, training, etc.)
- h. Adequate vaccine storage and handling equipment, including refrigerators and portable units.
- i. Additional hand sanitizer with at least 60% alcohol for hand hygiene
- j. Additional cleaning equipment for more frequent cleanings
- k. Hand soap, as appropriate
- l. Face coverings for patients who arrive without one.
- m. Additional signage, tape, ropes, and cones to encourage physical distancing and provide one-way flow through the clinic.
- n. Personal protective equipment (PPE) for staff. Gloves should be worn by anyone administering vaccine. Depending on level of community transmission, eye protection may also be recommended.
- o. Thermometers for checking patient temperature before entering the clinic, if required
- p. Tissues

### Unallowed

Local Health Departments may not use funding for:

- a. Honoraria
  - b. Alcoholic beverages
  - c. Building purchases, construction, capital improvements
  - d. Land purchases
  - e. Legislative/lobbying activities
  - f. Bonding
  - g. Depreciation on use charges
  - h. Fundraising
  - i. Non-immunization clinical services
  - j. Entertainment
  - k. Food
  - l. Payment of bad debt
  - m. Vehicle Purchase
- 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.

- C. Cash Management

### **Local Governments and Public Authorities**

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All local governments and public authorities are required to follow cash procedures for State funds outlined in the State's Budget and Fiscal Control Act (General Statute 159-34) and rules, policies, and procedures established by the Local Government Commission. Additionally, the State-awarding agency may specify their own requirements for the management of State funds and these requirements can be found in Part 10 of this Compliance Section.

**Audit Objectives** – Determine whether:

1. The recipient/subrecipient followed procedures established by the applicable laws, regulations, statutes, and agency requirements.
2. The pass-through entity implemented procedures to assure that subrecipients conformed substantially to the same requirements that applied to the pass-through entity.

### **Suggested Audit Procedures**

1. Select a sample of advances of State funds and compare to the dates the funds were disbursed and/or when the checks were presented to the banks for payment. Using these data, verify that:
  - a. The timing of disbursements was in compliance with any requirements of the awarding agency or any applicable laws, regulations, or statutes.
  - b. If applicable, procedures were established to minimize the time elapsing between drawdown and disbursement of State funds.
2. Where applicable, select a sample of reimbursement requests and trace to supporting documentation showing that the costs for which reimbursement was requested were paid prior to the date of the reimbursement request.

#### F. Equipment and Real Property Management

Prior written approval from the Program must be obtained before purchasing equipment valued at over \$5,000.00. Real property cannot be purchased in this program.

**Audit Objectives** – Determine whether:

1. The grantee maintains proper records for equipment and adequately safeguards and maintains equipment.
2. Disposition or encumbrance of any equipment acquired with State awards is in accordance with the requirements of the awarding agency.

### **Suggested Audit Procedures**

1. Obtain entity's policies and procedures for equipment management and ascertain if they comply with the awarding agency's policies and procedures.
2. Select a sample of equipment transactions and test for compliance with the awarding agency's policies and procedures for management and disposition of equipment.

#### H. Period of Performance

Contract funds may be used to support costs incurred during the funding period. In the case of local health departments, this period is the same as the State fiscal year and the period covered by the Consolidated Agreement, July 1 through June 30. Unobligated, unexpended funds will be carried forward to the 2021/2022 State fiscal year. Settle-up and final expenditure submission should occur within forty-five days of the end of the contract period, i.e., June 30. (Consolidated Agreement)

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**Audit Objective** – Determine whether State funds were obligated within the period of availability and obligations were liquidated within the required time period.

### **Suggested Audit Procedures**

1. Review the award documents and regulations pertaining to the program and determine any award-specific requirements related to the period of availability and document the availability period.
  2. Test a sample of transactions charged to the State award after the end of the period of availability and verify that the underlying obligations occurred within the period of availability and that the liquidation (payment) was made within the allowed time period.
  3. Test a sample of transactions that were recorded during the period of availability and verify that the underlying obligations occurred within the period of availability.
  4. Select a sample of adjustments to the State funds and verify that these adjustments were for transactions that occurred during the period of availability.
- I. Procurement and Suspension and Debarment

### **Compliance Requirements**

#### **Procurement**

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 to conform with federal agency codifications of the grants management common rule accessible on the Internet at <https://www.whitehouse.gov/omb/information-for-agencies/circulars/>.

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 Procurement Manual accessible on the Internet at [http://www.pandc.nc.gov/documents/Procurement\\_Manual\\_5\\_8\\_2013\\_interactive.pdf](http://www.pandc.nc.gov/documents/Procurement_Manual_5_8_2013_interactive.pdf).

**Audit Objectives** – Determine whether procurements were made in compliance with the provisions of the program requirements and any applicable laws, regulations, statutes, or other provisions of the awarding State agency.

#### **Suggested Audit Procedure**

Test a sample of procurements to ascertain if the applicable laws and the awarding agency procedures were followed.

- L. Reporting

#### **Financial Reporting**

At the time an agreement addendum is signed, all local health departments are required to complete a Planned Use of Federal Immunization Program Funds attachment to document anticipated expenditures. This attached is returned with the signed agreement.

#### **Performance Reporting**

Using the North Carolina Immunization Registry, Local Health Departments will report:

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1. All COVID-19 vaccine administered as part of the mass vaccination effort is entered into the NCIR and that supporting documentation is retained.
2. Report all COVID-19 vaccine temperature exclusions or wastage.

Using a monthly survey tool, Local Health Departments will report:

1. The number of new public health workers hired and/or related contracts executed during the report month.
2. The number of strike teams, mobile clinics, or temporary off-site clinics during the report month.
3. Supplies/equipment purchased during the report month.
4. COVID-19 communication/education activities conducted during the report month.
5. Vaccine monitoring work conducted during the report month.

**Audit Objective** – Determine whether required reports include all activity of the reporting period, are supported by applicable accounting or performance records, and are fairly presented in accordance with program requirements.

### **Suggested Audit Procedures**

1. Perform monthly review of submitted reports to ascertain whether they are properly formatted and completed.
2. Review amounts requested and compare with previous months for outliers or unreasonable expenditures.
3. Compare submitted workload with established objectives for the current fiscal year to track compliance with yearly objectives.

### M. Subrecipient Monitoring

Local health departments and other entities frequently contract with other agencies to provide allowable services. Unless services are obtained on other than fee for service contracts, the auditor does not need to audit for this requirement. (Reference Section C(1)(c and d) of the Consolidated Agreement between the local health department and the Division of Public Health).

### N. Special Tests and Provisions

#### Consolidated Agreement System

The DHHS Division of Public Health is made up of six major sections: Chronic Disease & Injury, Environmental Health, Epidemiology, Women's and Children's Health, Oral Health, and Administrative, Local, and Community Support. The Division utilizes a single written agreement to manage all funds, that is, State, Federal, or private grant funds, that the Division allocates to local health departments across the State. This document, as amended, is called the Consolidated Agreement.

The Agreements sets forth the more general requirements of the funding relationship between the state and local public health agencies. The respective requirements are detailed under the headings: Responsibilities of the Department (Local Public Health Unit); Funding Stipulations; Fiscal Control; Responsibilities of the State; and Compliance. More specific information related to program activity is set out in a

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document called the Agreement Addenda which detail outcome objectives (which may or may not be negotiable at the beginning of each fiscal year) that each health department must achieve in exchange for the funding. A third part of the system is the Budgetary Authorization which is sent annually from each of the Sections or Branches of the Division to all health departments being allocated funds from specific sources, i.e., State appropriations or other federal grant funds for specific activities. This Estimate indicates the amount of the allocated funds and their respective sources. Each health department should be able to provide an auditor with a copy of the Consolidated Agreement for the particular year being audited, as well as copies of the Budgetary Authorization and any revisions, Agreement Addenda, expenditure reports and any activity reports for each source of money received. If the health department cannot provide these documents, they may contact the State Division of Public Health Budget Office for assistance.

**Suggested Audit Procedures** – The auditor should review Section B. FUNDING STIPULATIONS of the Consolidated Agreement before beginning an audit. The fourteen items of this Section describe much of the detailed information the auditor may be seeking during a review of these programs.

### **Conflicts of Interest and Certification Regarding No Overdue Tax Debts**

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 G. S. 143C-6-23 for fiscal years beginning on or after July 1, 2007. These requirements include the submission of a Notarized Conflict of Interest Policy (see G. S. 143C-6-23(b)) and a written statement (if applicable) completed by the grantee's board of directors or other governing body that the entity does not have any overdue tax debts as defined by G. S. 105-243.1 at the federal, State, or local level (see G. S. 143C-6-23(c)). 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 subgrantee accountable for the legal and appropriate expenditure of those State grant funds.