

93.958

BLOCK GRANTS for COMMUNITY MENTAL HEALTH SERVICES

State Program/Project EDUCATION SERVICES IN PSYCHIATRIC RESIDENTIAL TREATMENT FACILITIES

Federal Authorization

Section 516 of the Public Health Service Act, Public Health Service Act, Title XIX, Part B, Subpart II, as amended, Public Law 102-321; 42 U.S.C. 300x; and 45 CFR Part 96

State Authorization:

Session Law 2014-100 (Senate Bill744, Section 8.39)

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

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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 select

["Non-Governmental Audit Confirmation Reports \(State Fiscal Years 2019-2021\)."](#)

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.

EDUCATION SERVICES IN PSYCHIATRIC RESIDENTIAL TREATMENT FACILITIES

I. Program Objectives:

The purpose of this program is to provide funds to Psychiatric Residential Treatment Facilities (PRTF) for the provision of educational services as required by S.L. 2014-100 (S744). There are currently 15 parent PRTF agencies that are eligible to receive funding per this legislation. They serve approximately 1,000 children a year in 28 different sites.

There is much variability in the quality and quantity of educational services provided to children in PRTFs. Standardization of and adherence to the minimal instructional requirements within PRTFs is needed to ensure that the educational needs of these children are met. These students are often at increased risk for poor academic, occupational and social outcomes. With improved educational instruction while in the PRTF, these students have increased chances to successfully transition back to their home school districts and have academic and occupational success.

All grantees are required to comply with the NC Department of Health and Human Services and DMHDDSAS records retention schedules and policies. These include Functional Schedule for State Agencies, Records Retention and Disposition Schedule – DMH/DD/SAS Local Government Entity (APSM 10-6), Records Retention and Disposition Schedule - DMH/DD/SAS Provider Agency (APSM- 10-5) and the DHHS Records Retention and Disposition Schedule for Grants.

II. Program Procedures:

S.L.2014-100(s744) states: “To the extent that funds are allocated and available to the Department of Public Instruction for the delivery of services, those funds shall be transferred to the DMH/DD/SAS. The DMH/DD/SAS shall contract with approved agencies for educational services in a manner determined by the Department of Health and Human Services and the Department of Public Instruction in a Memorandum of Agreement. “

In addition, to be eligible for funding, the PRTF must be licensed by The Department of Health Services Regulation (DHSR) as a PRTF and have an Exceptional Children’s Education Program that is approved by the Department of Public Instruction (DPI). Failure to meet these criteria can result in termination of funding. DHHS contracts with each parent agency for services on an annual basis. Programs submit monthly Financial Status Reports for reimbursement of approved expenses.

III. COMPLIANCE REQUIREMENTS

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, Embarking	Period of Performance	Procurement Suspension & Debarment	Program Income	Reporting	Subrecipient Monitoring	Special Tests and Provisions
Y	Y	Y	Y	N	Y	Y	N	N	Y	N	Y	Y	Y

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.

If there is no program listed on the “Matrix” in Part 2 or Part 4, the State has determined the Type that is applicable. If a Type is determined to be direct and material, the auditor should refer to the requirements found in Part 3 and listed in this supplement.

1. ACTIVITIES ALLOWED OR UNALLOWED

Funds are only used for those individuals meeting the criteria to provide the following services: assertive outreach; screening; case management; residential support services; referrals for temporary housing, permanent supportive housing, medical insurance, primary health services, income, benefits, and any other needed community services; and housing services in compliance with Public Health Service Act, Title V, Part C, Section 521, and Section 522 (h)(1) as amended, 42 U.S.C 290cc-21 et seq; Stewart B. McKinney Homeless Assistance Amendments Act of 1990; and Public Law 101-645.

2. ALLOWABLE COSTS/COSTS PRINCIPLES

EDUCATION SERVICES IN PSYCHIATRIC RESIDENTIAL TREATMENT FACILITIES

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 in 2 CFR, Part 200 Subpart E – Cost Principles.)

3. CASH MANAGEMENT

These funds are reimbursed based on the contracted funds:

1. Funds are paid through submission of the Financial Status Report, Consumer Assistance Log, Outreach Log and receipts/supportive documentation monthly per the approved budget and budget narrative, match budget narrative and Veteran budget narrative if applicable. Reporting of the services delivered to eligible recipients is submitted quarterly.
2. Funds are settled on a reimbursement basis per expenditures.
3. Verify this from submission of program expenditures that are submitted monthly.

The DHHS Controller's Office is responsible for submitting a Financial Status Report 269 to the Federal Grants Management Officer for documentation of federal funds expended, according to the DHHS Cash Management Policy.

4. CONFLICT OF INTEREST

This requirement does not apply at the local level.

5. ELIGIBILITY

Services are provided based on the following criteria:

1. Individual has a serious mental illness or co-occurring serious mental illness and substance use disorder.
2. Individual is experiencing homelessness, who are living outdoors and meet the definition of literally and/or chronic homelessness. Priority is given to Veterans.
3. Individual is not receiving mental health or co-occurring substance abuse services.

6. EQUIPMENT AND REAL PROPERTY MANAGEMENT

Equipment Management

This requirement refers to tangible property that has a useful life of more than one year and costs of \$5,000 or more. Such equipment may only be purchased per the conditions of the approved contract or grant agreement. Shall the contract be terminated, any equipment purchased under this program shall be returned to the Division.

Real Property Management

This requirement does not apply to DMH/DD/SAS contracts.

7. MATCHING, LEVEL OF EFFORT, EARMARKING

Matching

This requirement does not apply at the local level.

Level of Effort

This requirement does not apply at the local level.

Earmarking

This requirement does not apply at the local level.

8. PERIOD OF PERFORMANCE

This requirement does not apply at the local level.

9. PROCUREMENT AND SUSPENSION AND DEBARMENT

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 comply with the procurement guidelines found in 2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards which can be accessed at:

<https://www.gpo.gov/fdsys/pkg/FR-2013-12-26/pdf/2013-30465.pdf>

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 <http://www.doa.nc.gov/pandc/documents/Procurement Manual 5 8 2013 interactive.pdf>.

Nongovernmental sub-recipients shall maintain written procurement policies that are followed in procuring the goods and services required to administer the program.

Suspension and Debarment

All grantees awarded contracts utilizing Federal dollars must follow the provisions of Executive Order 12549, 2 CFR 200, 45 CFR Part 75 and Executive Order 12689.

10. PROGRAM INCOME

This requirement does not apply at the local level.

12. REPORTING

1. Contracted Provider submits the Financial Status Report, Consumer Assistance Log, Outreach Log, Outcome report and supportive documentation/receipts for review.
2. Contracted Provider submits supportive documentation/receipts for costs meeting the match requirement.

13. SUBRECIPIENT MONITORING

Monitoring is required if the agency disburses or transfers any State funds to other organizations, except for the purchase of goods or services. If the agency disburses

EDUCATION SERVICES IN PSYCHIATRIC RESIDENTIAL TREATMENT FACILITIES

or transfers any pass-through federal funds received from the State to other organizations, the agency shall require such organizations to comply with the applicable requirements of 2 CFR Part 200.331. Accordingly, the agency is responsible for monitoring programmatic and fiscal compliance of subcontractors based on the guidance provided in this compliance supplement and the audit procedures outlined.

14. SPECIAL TESTS AND PROVISIONS

This requirement does not apply at the local level.