U. S. Department of Health and Human Services

Federal Authorization: Public Health Service Act, Section 319 (a).

State Authorization: None

N. C. Department of Health and Human Services
Division of Facility Services

**Agency Contact Person – Program:**
Holli Hoffman, RN, MSN
Hospital Bioterrorism Preparedness Coordinator
Office of Emergency Medical Services
2707 Mail Service Center
Raleigh, NC 27699-2707
(919) 855-3947 phone
(919-733-7021 fax
Hollie.Hoffman@ncmail.net

**Address Confirmation Letters To:**
N. C. DHHS Confirmation Reports:
SFY 2006 audit confirmation reports for payments made to Counties, Area Programs, Boards of Education, Councils of Government, District Health Departments, DCD State Level Contractors and HRSA Bioterrorism Grant Subrecipients will be available by around late August to early September at the following web address: http://www.dhhs.state.nc.us/control/
At this site, page down to “Letters/reports/forms for ALL Agencies”and click on “Audit Confirmation Reports (State Fiscal Year 2005-2006)”.

Additionally, audit confirmation reports for Nongovernmental entities receiving financial assistance from the DHHS are found at the same website except select “Non-Governmental Audit Confirmation Reports ( State Fiscal Years 2003 – 2005 )”.

**Agency Contact Person – Financial:**
Carolyn Davis
Hospital Bioterrorism Preparedness Budget Officer
Office of Emergency Medical Services
2707 Mail Service Center
Raleigh, NC 27699-2707
(919) 855-3967 phone
(919-733-7021 fax
Carolyn.Davis@ncmail.net

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.
I. PROGRAM OBJECTIVES

In the aftermath of the terrorist attacks in September 2001, the State Health Director requested the use of state emergency funds to address the public health threat of Bioterrorism in North Carolina. By January 2002, the Governor’s Terrorism Task Force had approved all aspects and funding for the Division of Public Health (DPH) “Bioterrorism Risk Reduction and Response Plan”.

Beginning in September 2001, four agencies have combined efforts to identify and reduce the gaps in the treatment and response phase of a terrorist event. Agencies from the Department of Health and Human Services include the Division of Facility Services, Office of Emergency Medical Services (OEMS) and the Division of Public Health – Epidemiology & Communicable Disease. The Department of Crime Control and Public Safety is represented by the Division of Emergency Management. The Special Operations Response Team is an independent agency actively involved in both federal and state bioterrorism initiatives. These agencies comprise the management system responsible for coordinating a disaster response, ensuring that treatment and prevention strategies, as well as disease surveillance and medical preparedness, are implemented.

The goal of this effort is to assure the citizens of North Carolina that when a terrorist attack occurs in North Carolina, they will be able to get the medical care services they need to protect their health and prevent the further spread of disease and/or an exposure. Priorities include enhancing disease monitoring and investigation systems, improving communications capabilities among health agencies, and building the medical response capacity.

The objectives of the National Bioterrorism Hospital Preparedness Program include the building of a state, regional and local infrastructure for response to a terrorist event, provision of federal funds to local hospitals and EMS Systems to prepare for a terrorist event and to comply with all requirements of the FY 2005 Continuation Guidance of the National Bioterrorism Hospital Preparedness Program as specified by the U.S. Department of Health and Human Services, Health Resources and Services Administration, Special Programs Bureau.

II. PROGRAM PROCEDURES

The OEMS prepares a National Bioterrorism Hospital Preparedness Program Grant Application each year to address the scope of the program and outline state, regional and local grant activities. The Grant application is developed by a group of staff specialists and reviewed by the Division of Public Health and Department of Health and Human Services staff prior to submission to the Health Resources and Services Administration (HRSA) for review.

While the grant application is being reviewed by HRSA, OEMS staff develops grant guidelines for use by hospitals and local EMS systems that are considered as grant subrecipients. In addition to the guidelines, the OEMS develops grant application materials such as application instructions, composite budget forms, budget narrative forms, drawdown requests for receiving funds for expenditures, etc. Another document that is critical to the grant subrecipients is the funding formula and funding amount due to each subrecipient. This document identifies the amount of funding that the subrecipient can include in their grant application.

After the OEMS receives approval from HRSA that the grant application is approved, the OEMS notifies the hospitals and local EMS system grant subrecipients in writing of the grant approval and provides guidance in developing their grant application. The grant subrecipients develop their grant application following the guidelines provided and address each of the critical benchmarks that are included in the grant guidance. Funds may be used for a variety of activities to prepare local agencies in responding to a terrorist event.
Throughout the grant period, OEMS is available to provide technical support or other assistance as needed to ensure successful implementation of the grant initiatives.

III. COMPLIANCE REQUIREMENTS

A. Activities Allowed or Unallowed

Activities/services described in Section I, Program Objectives, are allowable activities of the National Bioterrorism Hospital Preparedness Program. The Public Health Security and Bioterrorism Preparedness and Response Act of 2002 (Public Law 107-188) enacts Section 319C-1 of the Public Health Service Act (42 U.S.C. 247d-3a), which supports activities related to countering potential terrorist threats to civilian populations.

Funds can be expended for a number of activities including but not limited to surge capacity, isolation, personal protective equipment, etc.

Under no circumstances may the HRSA BT grant be charged for costs that are demonstrably outside the scope of the National Bioterrorism Hospital Preparedness Program. In general, funds may not be expended except for those items specified in the approved grant application or subsequent approved revisions on file both at the grantee’s business location and the Division of Facility Services offices.

B. Allowable Costs/Cost Principles

Costs must be reasonable and necessary for the performance and administration of the award/grant and be allocable to the activity. Costs must be consistent with policies and procedures that apply uniformly to both State/Federal financed programs and other activities of the grantee organization. Costs should be adequately documented with time and attendance payroll records, personnel activity reports, or other time and effort records for employees, if applicable.

Costs in the application budget are allowable costs of a Bioterrorism grant. Expenditures / costs are limited to those outlined in the approved budget of the application. The DHHS/Division of Facility Services has adopted the Federal allowable cost principles in OMB Circular A-87, “Cost Principles for State, Local and Indian Tribal Governments” and OMB Circular 122, "Cost Principles for Non-Profit Organizations" for the determination of allowable costs applicable for this program, which are available from the OMB website at http://www.whitehouse.gov/omb/circulars/index.html.

An annual agreement between the NC DHHS/Division of Facility Services and the grantees outlines other programmatic and fiscal requirements.

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

Grantees receive funding under the Bioterrorism program on a cost reimbursement basis. Accordingly, program costs must be paid for by the grantee before reimbursement is requested from the DHHS/Division of Facility Services. Therefore, there is no testing required at the local level for Cash Management.

E. Eligibility

Eligibility for Hospitals

Hospitals must submit the requested data into the North Carolina Hospital Status System (NCHSS), bed tracking system, unless otherwise noted by NCOEMS. Participation in the Hospital Status System is defined in the North Carolina Hospital Funding Guidelines for FFY 2005-2006. Hospitals must participate in RAC Disaster Preparedness committee meetings.

Eligibility for EMS Systems

EMS Systems must participate in the North Carolina PreHospital Medical Information System (PreMIS). Participation in PreMIS is defined in the North Carolina EMS Funding Guidelines for FFY 2005-2006. EMS Systems must also participate in RAC Disaster Preparedness Committee meetings during this grant period.

F. Equipment & Real Property Management

Title to equipment costing in excess of $500.00 acquired by the Grantee with funds from this grant shall vest in the Grantee, subject to the following conditions:

1. The Grantee shall use the equipment in the project or program for which it was acquired as long as needed. When equipment is no longer needed for the original project or program or if operations are discontinued or at the termination of this Grant, the Grantee shall contact the Division for written instructions regarding disposition of equipment.

2. With the prior written approval of the Division, the Grantee may use the equipment to be replaced as trade-in against replacement equipment or may sell said equipment and use the proceeds to offset the costs of replacement equipment.

3. For equipment in excess of $500.00, equipment controls and procedures shall include at a minimum the following:

   a. Detailed equipment records shall be maintained which accurately include the following:

      1) Description and location of the equipment, serial number, acquisition date/cost, useful life and depreciation rate;

      2) Source/percentage of funding for purchase and restrictions as to use or disposition; and

      3) Disposition data, which includes date of disposal and sales price or method used to determine fair market value.
b. Equipment shall be assigned a control number in the accounting records and shall be tagged individually with a permanent identification number.

c. Biennially, a physical inventory of equipment shall be taken and results compared to accounting and fixed asset records. Any discrepancy shall immediately be brought to the attention of management and the governing board.

d. A control system shall be in place to ensure adequate safeguards to prevent loss, damage, or theft of equipment and shall provide for full documentation and investigation to any loss or theft.

e. Adequate maintenance procedures shall be implemented to ensure that equipment is maintained in good condition.

f. Procedures shall be implemented which ensure that adequate insurance coverage is maintained on all equipment. A review of coverage amounts shall be conducted on a periodic basis, preferably at least annually.

4. The Grantee shall ensure all subcontractors are notified of their responsibility to comply with the equipment conditions specified in this section.

G. Matching, Level of Effort, Earmarking

Matching

Funds allocated for personnel to attend training must be expended on a 50% matching basis up to the allowable State rate for travel and subsistence.

Level of Effort and Earmarking

N/A

H. Period of Availability of Federal Funds

Federal funds are available for expenditure by grantees during their approved Grant period or approved extension through a Grant amendment with the DHHS/Division of Facility Services.

I. Procurement and Suspension and Debarment

Procurements shall be conducted in accordance with the grantees’ purchasing guidelines. Grantees shall not contract with or make sub-awards to parties that are suspended or debarred, or whose principles are suspended or debarred, based on Federal suspension and debarment requirements. A listing of the suspended or debarred parties is issued by the General Services Administration (GSA) and is found in the List of Parties Excluded from Federal Procurement or Nonprocurement Programs. An electronic version of this listing may be accessed via the Internet at the following web address: http://www.arnet.gov/epls.

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 http://www.whitehouse.gov/omb/grants/chart.html.

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.state.nc.us/PandC/agpurman.htm#P6_65.

L. Reporting

Subrecipients are required to submit quarterly progress reports and a final narrative, financial report within thirty days of the end of the Grant period. If subrecipients submit progress reports with their drawdown requests for funds, the requirement for submission of quarterly progress reports is not necessary provided a progress report has been submitted within the most recent quarter ended.

The following federal and State financial reporting requirements apply to recipients of the HRSA BT grant funds. Each Grantee shall use or expend the funds only for the purposes for which they were appropriated by the General Assembly or collected by the State. State funds include federal funds that flow through the State. If the Grantee is a governmental entity, such entity is subject to the requirements of OMB Circular A-133 and the N.C. Single Audit Implementation Act of 1996. If the Grantee is a non-governmental entity, such entity is subject to the provisions of G.S. 143-6.1 and the applicable prescribed requirements in the Office of the State Auditor’s Audit Advisory #2, “Rewrite of G.S. 143-6.1 entitled Nonprofits State Funds Accountability Act – Reports on Use of State Funds by Non-State Entities,” including its attachments. Additionally, any non-governmental entity except a for-profit corporation is subject to the provisions of OMB Circular A-133.

The Department is not authorized to disburse funds to any Grantee that fail to comply with the reporting requirements of G.S. 143-6.1, for funds received during the prior fiscal year.

M. Subrecipient Monitoring

This requirement is not applicable at the local level because generally funds are not subcontracted by Grantees.