**Attachment C**
**Notice of Certain Reporting and Audit Requirements**

Grantees. local governments, public authorities, and subgrantees shall comply with all rules and reporting requirements established by statute or administrative rules. All reports must be submitted to the addresses below.

The Contractor's fiscal year runs from _____ to _____.

**Grantees**

The applicable prescribed requirements are found in the Office of the State Auditor's Audit Advisory #ADV-2005-001, North Carolina General Statute 143C-6-22 & 23 and Implementation of Required Rules, 09 NCAC 03M .0102 -0802, North Carolina Administrative Code, issued September 2005. The Office of State Auditor's Audit Advisory #ADV-2005-001, additional policy statements, access to the Grants Information Center and forms are available on the State Auditor's Internet web site at www.ncauditor.net. From the home page select "Grants". Select the "Regulations" tab for the standards and the "Forms" tab to download forms as needed.

G.S. 143C-6-23 requires every nongovernmental entity that receives State or Federal pass-through grant funds directly from a State agency to file annual reports on how those grant funds were used. There are 3 reporting levels which are determined by the total direct grant receipts from all State agencies in your fiscal year:

- Level 1: Less than $25,000
- Level 2: At least $25,000 but less than $500,000
- Level 3: $500,000 or more

A grantee's reporting date is determined by its fiscal year end and the total funding received directly from all State agencies. For those grantees receiving less than $500,000, the due date is 6 months from its fiscal year end. For those receiving $500,000 or more, the due date is 9 months from its fiscal year end. In addition to the reports, grantees receiving $500,000 or more must submit a yellow book audit in electronic or hard copy to the Office of the State Auditor and to all funding State agencies at the addresses below.

**All annual grantee reports required by G.S. 143C-6-23 must be entered online in the Grants Information Center.** The GIC will automatically place your organization on the Noncompliance list if your reports have not been entered into the GIC by your required due date.

To access the GIC go to www.ncauditor.net and click on the GIC icon located under the Grants button at the top of the page. You must follow the two step process as outlined below to obtain access to the Grants Information Center.

1. NCID
Register for your NCID first using the following link:

https://ncid.nc.gov/login/login.html?MSG=CREDS_CLEARED

**Remember to register as a Business user for purposes of accessing the GIC.**

**Please do not use the special characters when creating a password for NCID due to the GIC not being able to process them: such as @ ( ) [ ] !**

2. Grants Information Center
**AFTER** you obtain your NCID, then follow these instructions.

Go to the Grants Information Center page (https://www.grants.ncauditor.net/Portal/displayLogon.do)

- Enter in your NCID (yes, it is normal for @NCID to appear at the end of your user ID)
- Enter in your password but **do not click the "log in" button at this time**,
- You must click on **"*Request Access*"** to gain access to the portal BEFORE you can log in
- This should take you to the NCID page where you should log in again
- Click on the "*Continue*" button that you should see
- This should take you to a form to complete
- After completing the form, click on "*Submit*"
- This will submit a request to the GIC administrator
- The GIC Administrator will then approve your access and send an email back to you (**This process can take up to 24-48 hours**)
- After receiving the email, go back to the portal page and you should then be able to log in and access the portal

. For questions about your NCID and password, contact Angenieta_DeYoung@ncauditor.net

Once you have logged in you will see your "Grantee Summary / Data Entry Screen".

- Your summary screen will identify your correct level of reporting, i.e., Level 1, 2 or 3, based on the State grant funds paid to your organization during your fiscal year.
- The summary will show all the grants contained in the GIC that have been awarded to your organization. The program will automatically provide links to the reports that correspond to your reporting level, and only those reports, for each grant. Check to make sure that the grant(s) shown in the system correspond with what you show as having received from each agency for your fiscal year.
- If you have questions, need help in resolving any differences between your records and GIC or need corrections to be made to the data you enter, send an e-mail to the GIC administrator using the Contact Administrator function available at the bottom of each screen. This email should include detailed information regarding any discrepancies you believe exist..

Any grantee that **does not have internet capabilities** may file a hard copy of the required reports. The Office of the State Auditor staff will enter the data for these grantees into the GIC. Go to **www.ncauditor.net**, "grants," "grants home", "forms" and download the forms. Grantees should send the hard copy reports and yellow book audits directly to:

Mail to: The Office of the State Auditor
Attention: Grants Compliance Reporting
20601 Mail Service Center
Raleigh, NC 27699-0601

Or direct delivery to: 2 South Salisbury Street
Raleigh, NC 27603

**IMPORTANT NOTE FOR AUDITS**

If you expend more than $500,000 in Federal grant funds from all sources, then you must have an A-133 single audit performed. If you are at this level for federal reporting and you are required to file a yellow book audit with the State under G.S. 143C-6-23, then you may substitute the A-133 audit for the yellow book audit.

If you are required to have an A-133 audit performed and you receive any Federal grant funds passed through the North Carolina Department of Health and Human Services, you are required to file the A-133 audit with the North Carolina Department of Health and Human Service.

If you expend more than $500,000 and you are required to file a yellow book audit with the State Auditor under G.S. 143C-6-23, then you are also required to file the yellow book audit with the North Carolina Department of Health and Human Service.

Please send the required audit to the following address:

Mail to: DHHS Office of the Controller
Attention: Audit Resolution
2019 Mail Service Center
Raleigh, NC 27699-2019

Or direct delivery to: 1050 Umstead Drive
Raleigh, NC 27606

**Local Governments and Public Authorities**

All local governments and public authorities subject to G.S. 159, The Local Government Budget and Fiscal Control Act, must have an audit performed in accordance with generally accepted auditing standards (GAAS).

Local governments and public authorities that expend $100,000 or more in combined federal or State financial assistance must have an audit performed in accordance with Government Auditing Standards (GAGAS).

Local governments and public authorities that expend $500,000 or more in federal financial assistance and/or expend $500,000 or more in state financial assistance must have a single audit performed in accordance with OMB Circular No. A-133.

**Subgrantees**

A non-State entity as defined in G.S. 143C-1-1 (18) that disburses or transfers any of its State funds, including federal funds that flow through the State Treasury, to a nongovernmental subgrantee should require such subgrantee to file with it similar reports and statements as required by G.S. 143-6-23. If such funds include pass-through federal funds, it should also require the subgrantee to comply with the applicable requirements of OMB Circular A-133. The reports required of the subgrantee should be submitted to the non-State entity for monitoring purposes. A nongovernmental entity receiving State funding from non-State entities must follow the requirements as set forth in its contract with such non-State organizations.

**Equipment Purchased with Contract Funds:**

Title to equipment costing in excess of $500.00 acquired by the Contractor with funds from this contract shall vest in the Contractor, subject to the following conditions.

A. The Contractor 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 contract the Contractor shall contact the Division for written instructions regarding disposition of equipment.

B. With the prior written approval of the Division, the Contractor 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.

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

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

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

   b. Source/percentage of funding for purchase and restrictions as to use or disposition; and

   c. Disposition data, which includes date of disposal and sales price or method used to determine fair market value.

2. Equipment shall be assigned a control number in the accounting records and shall be tagged individually with a permanent identification number.

3. 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.

4. 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 of any loss or theft.

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

6. 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.

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

# Reporting Requirements of N. C. General Statute 143C-6.23

**Use these charts to determine GS 143C-6.23 reporting requirements.**

| Total Funds from All State Agencies | Reports Due<br>(Key all reports into the Grants Information Center, except for audits which are mailed to the Office of the State Controller and the NC Department of Health and Human Services (DHHS).) | Reports Due Date |
|---|---|---|
| Level 1<br>$1 - $24,999 | • Certification<br>• State Grants Compliance Reporting Receipt of < $25,000.* | Within 6 months of entity's fiscal year end |
| Level 2<br>$25,000 - $499,999 | • Certification<br>• State Grants Compliance Reporting Receipt of >= $25,000<br>• Schedule of Receipts and Expenditures*<br>• Program Activities and Accomplishments | Within 6 months of entity's fiscal year end |
| Level 3<br>$500,000 or more | • Certification<br>• State Grants Compliance Reporting Receipt of >= $25,000<br>• Audit [A-133 Single Audit if >= $500,000 in federal funds or Yellow Book Audit]<br>• Schedule of Federal and State Awards (May be included in the audit)<br>• Program Activities and Accomplishments | Within 9 months of entity's fiscal year end |

**Use this chart to determine where to send copies of GS 143C-6.23 reports.**

| | |
|---|---|
| Grantees receiving $500,000 or more must send one copy of each audit report to DHHS. | Mail to: DHHS Office of the Controller<br>Attention: Audit Resolution<br>2019 Mail Service Center<br>Raleigh, NC 27699-2019<br><br>Or direct delivery to: 1050 Umstead Drive<br>Raleigh, NC 27606 |
| Grantees receiving $500,000 or more must send one copy of each audit report to the State Auditor.<br><br>In addition, grantees filing manual reports must send the completed reports to the State Auditor. | Mail to: Office of the State Auditor<br>Attention: Grants Compliance Reporting<br>20601 Mail Service Center<br>Raleigh, NC 27699-0601<br><br>Or direct delivery to: 2 South Salisbury Street<br>Raleigh, NC 27603 |