

SUBCHAPTER 97B - GENERAL ADMINISTRATIVE POLICIES

SECTION .0100 - GENERAL PROVISIONS

10A NCAC 97B .0101 DEFINITIONS

For the purpose of this and subsequent Subchapters, the following definitions apply:

- (1) Grant Agreement. The agreement between the Department and a grant recipient, whereby funds are provided to carry out specified projects, services or activities.
- (2) Individual Applicant. A person who applies to a grant recipient for funds or services.
- (3) Non-Profit Organization. Any corporation, foundation, trust, association, cooperative or other organization other than:
 - (a) educational institutions;
 - (b) hospitals; and
 - (c) state and local government agencies, bureaus or departments which are operated primarily for scientific, educational, service, charitable, or similar purposes in the public interest, which is not organized primarily for profit, and which uses all income exceeding costs to maintain, improve and/or expand its operation.
- (4) Poor Person/Family. A family unit (one or more persons) whose income is at or below the poverty guidelines established by the U.S. Office of Management and Budget.
- (5) Private Grant Recipient. A non-profit organization, as defined in this Rule, that receives funds or services from the Office.
- (6) Program Participant. The recipient (family unit) of funds or services provided by a grant recipient. The receipt of funds by a program participant from a grant recipient in return for his/her work or services shall not qualify that person as an employee of the grant recipient.
- (7) Public Grant Recipient. A governmental organization that receives funds or services from the Office.

History Note: Authority G.S. 143-323(d); 143B-10; 143B-276; 143B-277;
Eff. March 2, 1979;
Amended Eff. August 1, 1988; October 1, 1984; December 1, 1983;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. April 25, 2015.

10A NCAC 97B .0102 WAIVERS

The Secretary of the Department may waive any requirement of this Chapter not required by federal and state laws and rules whenever he determines that undue hardship to grant recipients or program participants will result from applying the requirement and where application of the requirement would adversely affect the purposes of the applicable legislation and regulations.

History Note: Authority G.S. 143B-10; 143B-276; 143B-277;
Eff. March 2, 1979;
Amended Eff. October 1, 1984; December 1, 1983;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. April 25, 2015.

10A NCAC 97B .0103 APPLICABILITY OF RULES

All grant recipients administering any programs operated by the Office are subject to the provisions of this Subchapter, unless specifically exempted in this Subchapter or subsequent Subchapters.

History Note: Authority G.S. 143-323(d); 143B-10; 143B-276; 143B-277;
Eff. October 1, 1984;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. April 25, 2015.

SECTION .0200 - APPLICATION FOR ASSISTANCE

10A NCAC 97B .0201 SUBMISSION OF APPLICATION FOR FUNDS

All applications for support to the Office shall be submitted to the Office on a format prescribed by the Office. The specific procedures applicable for each program are set forth in subsequent subchapters.

*History Note: Authority G.S. 143-323(d); 143B-10; 143B-276;
Eff. December 1, 1983;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. April 25, 2015.*

10A NCAC 97B .0202 REVIEW AND APPROVAL OF APPLICATIONS FOR FUNDS

(a) To receive funds, each grant recipient must sign a grant agreement with the Department which will incorporate various terms and conditions, including:

- (1) work program;
- (2) approved budget; and
- (3) assurance of compliance with applicable laws and regulations.

(b) All approved applications shall stand approved as submitted, except for any modifications or conditions made by the Office and accepted by the grant recipient.

(c) The acceptance of funds shall be in the form of a signed grant agreement between the Department and the grant recipient. The grant recipient must operate the project in accordance with the approved application for funds and the grant agreement.

*History Note: Authority G.S. 143-323(d); 143B-10; 143B-276;
Eff. December 1, 1983;
Amended Eff. October 1, 1984;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. April 25, 2015.*

10A NCAC 97B .0203 CERTIFICATION AND COMPLIANCE

All applicants shall certify to the Office that they will comply with all applicable federal and state laws, regulations, rules, and Executive Orders. The following certifications, where applicable, shall be included in all applications:

- (1) The applicant must certify to carry out its programs in compliance with the following federal laws and Executive Orders:
 - (a) The Age Discrimination Act of 1975, as amended (42 U.S.C. Section 6101 et. seq.).
 - (b) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. Section 794).
 - (c) The Davis Bacon Act (46 U.S.C. Section 276a).
 - (d) The National Environmental Policy Act of 1969 (42 U.S.C. Section 4321 et. seq.).
 - (e) The Hatch Act (P.L. 76-252).
 - (f) The Civil Rights Act of 1964 (P.L. 88-352).
 - (g) The Civil Rights Act of 1968 (P.L. 90-284).
 - (h) The Federal Fair Labor Standards Act (29 U.S.C. Section 201 et. seq.).
 - (i) Title XX of the Education Amendments of 1972.
 - (j) Other applicable federal laws, Executive Orders and Regulations.
- (2) In addition the applicant must certify that:
 - (a) it has the legal authority to apply for the grant and execute the proposed program;
 - (b) its governing body has passed an official resolution authorizing the filing of the application;
 - (c) it has carried out the citizen participation requirements associated with the filing of an application, as defined in Rule .0402 of this Subchapter;
 - (d) the program applied for has been developed so as to give maximum feasible priority to activities which will benefit low-income persons;
 - (e) it will establish safeguards to prohibit employees from using their position for a purpose that is or gives the appearance of being motivated by a desire for private gain for themselves or others, particularly those with whom they have family, business or other ties;
 - (f) it will give the Office, the Department and other applicable state and federal agencies access to all records or documents related to the grant; and
 - (g) it will carry out its projects in compliance with all rules found in this Subchapter.

*History Note: Authority G.S. 143B-10; 143B-276; 143B-277; 143-323(d);
Eff. December 1, 1983;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. April 25, 2015.*

SECTION .0300 - PUBLIC ACCESS CONFIDENTIALITY AND DISCLOSURE OF INFORMATION

10A NCAC 97B .0301 PUBLIC ACCESS TO INFORMATION

(a) Grant recipients must provide access to any books, documents, records, and other information which is requested by the public which is not otherwise required to be confidential as defined in Rule .0302 of this Section.

(b) Each applicant for programs administered by the Office shall develop and maintain policies and procedures that meet the following minimum requirements:

- (1) All appropriate information will be made available at the time and date agreed upon by the requestor and the grant recipient. The grant recipient will provide space for all requestors to review such information. No information provided to requestors for review shall be removed from the grant recipient's office. Copies of information made available for review may be provided to requestors upon the payment of a fee established by the grant recipient to cover the cost of reproduction.
- (2) Requests for information to be provided through the mail will be promptly honored when the requested information is readily available (e.g. brochures, previously compiled data, etc.). When the requested information is not readily available, the grant recipient will honor the request if it is feasible to do so within staff and time constraints. In cases where there will be more than a 30-day delay or when the request cannot be met, the grant recipient will so notify in writing the requestor.

(c) In any case in which an agency concludes that notwithstanding the provisions of this Regulation a document should not be made public, the agency shall immediately request the approval of the Office in writing, giving a description of the document and a full explanation of the justification for the agency's conclusion that the document is not of a public nature. The Office will in such cases make a prompt determination as to whether the document should be disclosed.

(d) Grant recipients must provide access to any books, documents, papers, or records which the Office, the Department, and duly authorized representatives of any federal or state agency from which the Office has received funds determine are pertinent to any approved program, project, or plan.

History Note: Authority G.S. 132; 143B-10; 143B-276; 143B-277; 143-323(c);
Eff. December 1, 1983;
Amended Eff. October 1, 1984;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. April 25, 2015.

10A NCAC 97B .0302 CONFIDENTIALITY AND DISCLOSURE OF INFORMATION

(a) Private grant recipients must develop and maintain procedures to ensure that no information about any person is disclosed by the grant recipient in a form that identifies the person without the informed consent of the person. The only exception to this requirement is if disclosure is required by court order or for program monitoring by the Office, authorized federal, state, or local monitoring agencies.

(b) Grant recipients shall ensure that no person is denied services if such person refuses to provide informed consent to release personal information to other agencies. The grant recipient may deny services to an individual applicant if the applicant refuses to provide information needed to determine eligibility for services.

History Note: Authority G.S. 132; 143B-10; 143B-276; 143B-277; 143-323(d);
Eff. December 1, 1983;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. April 25, 2015.

SECTION .0400 - CITIZEN PARTICIPATION AND HEARINGS

10A NCAC 97B .0401 GENERAL PROVISIONS

Each applicant for programs funded under 10A NCAC 97C .0108(a)(1) shall provide citizens with opportunity for involvement and participation in the planning, implementation, evaluation, and assessment of the program. The applicant shall:

- (1) provide information to citizens;
- (2) hold a public hearing at the initial stage of a multi-year planning process meeting requirements of Rule .0402(3), (4), and (5) of this Section;
- (3) publish a notice of intent to file an application prior to the governing board's approval, as specified in Rule .0402 of this Section and subsequent submission of the application to the Division of Social Services;
- (4) allow citizen participation on substantive amendments made pursuant to 10A NCAC 97C .0209 in the program; and
- (5) provide an opportunity to comment on the applicant's performance.

*History Note: Authority G.S. 143B-153(6);
Eff. December 1, 1983;
Amended Eff. June 1, 1985; February 1, 1985; October 1, 1984;
Readopted Eff. November 1, 2017.*

10A NCAC 97B .0402 CITIZEN PARTICIPATION IN THE APPLICATION PROCESS

Each applicant for programs funded under 10A NCAC 97C .0108(a)(1) shall develop and maintain procedures that:

- (1) Solicit and respond to reviews and proposals of citizens, particularly poor persons, persons of ethnic or racial minority, persons with disabilities as defined by the Americans with Disabilities Act (ADA), and persons residing in the county or counties where activities are proposed. The ADA is hereby incorporated by reference, including subsequent amendments and editions, and may be accessed free of charge at <https://www.ada.gov>. Applicants shall respond in writing to written objections to an application. The applicant shall consider written objections made only on the following grounds:
 - (a) The applicant's description of the needs, goals, and objectives is inconsistent with data related to the needs in the county or counties where activities are proposed.
 - (b) The activities to be, or being, undertaken are inappropriate to meeting the needs, goals, and objectives identified by the applicant.
 - (c) The application does not comply with the requirements of this Chapter, State laws and rules, or federal laws and regulations.

The applicant shall respond to the party submitting the written objection within 10 calendar days of receipt.

- (2) Provide technical assistance to facilitate citizen participation, when requested by a citizen. The level and type shall be determined by the applicant.
- (3) Provide notices of public hearings to all citizens. A notice of the public hearing shall be given once a week for two successive calendar weeks in the non-legal section of a newspaper having general circulation in the county or counties where activities are proposed. All notices shall be prior to the public hearing and shall be published the first time not less than 10 days nor more than 25 days before the date fixed for the hearing.
- (4) Schedule public hearings at the initial stage of a multi-year planning process to obtain citizen views and to respond to citizen proposals at times and locations that permit participation, particularly by poor persons, persons of ethnic or racial minority, persons with disabilities as defined by the ADA, and persons residing in the county or counties where activities are proposed.
- (5) Publish a notice of intent to file an application no less than one time in the non-legal section of a newspaper having general circulation in the county or counties where activities are proposed, no less than 10 calendar days prior to final approval by the recipient's governing board. The notice shall specify the time and place the governing board shall meet to consider adopting a resolution as required by Rule .0203(2)(b) of this Subchapter to approve the application. The notice shall contain a description of the activities to be undertaken and the amount of funds requested in the application.
- (6) Persons wishing to object to the approval of an application by the Division of Social Services shall make such objection in writing. The Division of Social Services shall only consider objections made on the following grounds:
 - (a) The applicant's description of the needs, goals, and objectives is inconsistent with data related to the needs in the county or counties where activities are proposed.
 - (b) The activities to be undertaken are inappropriate to meeting the needs, goals, and objectives identified by the applicant.
 - (c) The application does not comply with the requirements of this Chapter, State laws and rules, or federal laws and regulations.
- (7) Objections made under Items (1) and (6) of this Rule shall include an identification of the requirements not met and, in the case of objections made on the grounds that the description of needs and objectives is inconsistent with data related to the needs in the county or counties where activities are proposed, the data supporting the objection shall be included.

*History Note: Authority G.S. 143B-153(6);
Eff. December 1, 1983;
Amended Eff. October 1, 1984;
Readopted Eff. November 1, 2017.*

10A NCAC 97B .0403 CITIZEN PARTICIPATION IN THE PROGRAM AMENDMENT PROCESS

(a) Each grant recipient funded under 10A NCAC 97C .0108(a)(1) seeking to amend its plan shall respond to citizen objections in the same manner set forth in Rule .0402 of this Section.

(b) All amendments require prior Division of Social Services approval.

(c) The Division of Social Services shall notify the grant recipient in writing as to whether or not the amendment request has been approved or disapproved. During review of the request, additional information may be required from the grant recipient to ensure compliance with 10A NCAC 97C .0204 through .0206.

(d) Grant recipients shall be required to complete a public hearing prior to the Division of Social Services approval of an amendment if:

- (1) The grant recipient proposes an objective or activities not included in the original work plan;
- (2) There is an increase or decrease of total funds requested in excess of an aggregate of 10 percent of the total amount of the grant agreement; or
- (3) There is a transfer of funds from the inception to the termination of the grant agreement between projects in excess of an aggregate of five percent of the total amount of the grant agreement.

Public hearings shall be held in accordance with Rule .0402(3) and (4) of this Section.

*History Note: Authority G.S. 143B-153(6);
Eff. December 1, 1983;
Readopted Eff. November 1, 2017.*

10A NCAC 97B .0404 SUBMISSION OF WRITTEN COMMENTS

(a) Persons may submit written comments to the Office at any time concerning the applicant or grant recipient's failure to comply with the requirements of this Chapter or applicable laws and regulations.

(b) The Office shall require the applicant or grant recipient to respond in writing within 10 days to written comments upon receipt from the Division.

*History Note: Authority G.S. 143B-10; 143B-276; 143B-277; 143-323(d);
Eff. December 1, 1983;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. April 25, 2015.*

10A NCAC 97B .0405 RECORD KEEPING

All records of public hearings, citizens' comments, responses to comments and other relevant documents and papers shall be kept in accordance with Attachments C - Retention and Custodial Requirements of Records of the Office of Budget and Management Circular A-102: Uniform Administrative Requirements for Grants-In-Aid to State and Local Governments or Circular A-110 Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations.

*History Note: Authority G.S. 143B-10; 143B-276; 143B-277; 143-323(d);
Eff. December 1, 1983;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. April 25, 2015.*

10A NCAC 97B .0406 HEARINGS

The Office, consistent with department policies and rules, codified as 15 NCAC Subchapter 1B, Section .0200, as amended effective August 1, 1982, will provide an opportunity for hearings, to:

- (1) any grant recipient whose certification of eligibility is terminated;
- (2) any grant recipient whose funds are terminated or suspended during the grant period; and
- (3) any grant recipient who wishes to appeal disallowed expenditures.

*History Note: Authority G.S. 143B-276; 143B-277; 143-323(d);
Eff. December 1, 1983;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. April 25, 2015.*

SECTION .0500 - DUE PROCESS FOR PERSONS DENIED SERVICES

10A NCAC 97B .0501 PUBLICATION OF PROCEDURES

Grant recipients shall post notices within their service area which indicate procedures available to persons who want to complain to the grant recipient. Grant recipients shall post notices of the complaint procedures in a conspicuous location within view of persons who participate in the grant recipient's projects and programs. The Office shall monitor grant recipients to assure that this policy is being implemented in an effective manner.

*History Note: Authority G.S. 143B-10; 143B-276; 143B-277; 143-323(d);
Eff. December 1, 1983;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. April 25, 2015.*

10A NCAC 97B .0502 PROCEDURES FOR MAKING APPEALS

The grant recipient must develop an appeals procedure for denial of services to person which meets the minimum requirements set forth in this Rule:

- (1) Provide that each person who applies for and is denied services be given a brief written statement indicating he/she has the right to appeal and how to go about making such an appeal;
- (2) Notify in writing each person denied services within 10 days from date of denial. The notification should include the reasons for denial of assistance, the opportunity to submit additional written information which the person believes would warrant favorable determination of eligibility, and the deadline for submitting this information;
- (3) Hold, within 7 days upon request of the person denied services, a hearing, at which time, the applicant shall be given an opportunity to present evidence as to why the denial should be over-ruled;
- (4) Notify in writing, within 7 days of the hearing, the person of the grant recipient's decision as to whether or not the applicant is eligible for services. A written description of these review proceedings shall be maintained on file by the grant recipient for 3 years and be available for public inspection consistent with the procedures of Rules .0301 and .0302 of this Subchapter.

*History Note: Authority G.S. 143B-10; 143B-276; 143B-277; 143-323(d);
Eff. December 1, 1983;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. April 25, 2015.*

SECTION .0600 - NON-DISCRIMINATION/AFFIRMATIVE ACTION

10A NCAC 97B .0601 POLICY OF THE DIVISION

*History Note: Authority G.S. 143B-276; 143B-277; 143-323(d);
Eff. December 1, 1983;
Amended Eff. October 1, 1984;
Pursuant to G.S. 150B-21.3A, rule Expired May 1, 2015.*

10A NCAC 97B .0602 FUNCTIONS OF THE DIVISION

In carrying out its responsibilities to prevent discrimination, the Office shall perform the following functions:

- (1) Inform and instruct Office staff regarding their obligations under civil rights and other applicable legislation.
- (2) Require all grant recipients to maintain a current, properly executed non-discrimination compliance form as part of their official files. A copy of this form shall also be maintained in the official files of the Office.
- (3) Conduct periodic reviews, including on-site visits as appropriate, of grant recipients to assure that their practices are in conformity with civil rights legislation and other state and federal regulations and policies, and executed statements of compliance.

*History Note: Authority G.S. 143B-276; 143B-277; 143-323(d);
Eff. December 1, 1983;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. April 25, 2015.*

10A NCAC 97B .0603 GRANT RECIPIENT'S AFFIRMATIVE ACTION PLAN

An Affirmative Action Plan shall be submitted to the Office as part of an application for funding. All grant recipients of the Office must maintain an Affirmative Action Plan. The Affirmative Action Plan shall contain the elements listed in

this Rule. These elements shall serve as criteria for an evaluation of the plan by the Office and the grant recipient. The elements are:

- (1) a statement of agency policy relative to providing equal employment opportunity;
- (2) measurable and attainable goals relative to employment and upgrading of minorities, women, the physically handicapped, which take into account expansion, reduction, and turnover of staff;
- (3) specific action steps and timetables to assure equal employment opportunity, including identification of the organizational units or individuals responsible for carrying out the steps to achieve the goals;
- (4) an analysis of current staffing patterns;
- (5) provision for training and upgrading of skills of staff to ensure upward mobility;
- (6) a description of continuing outreach efforts designed to reach and serve target populations;
- (7) a breakdown of members of the board of directors and any policy advisory committees by race, sex, age, and handicap; and
- (8) provision for continued monitoring and assessment of plan implementation, with updating of the plan as changes occur.

*History Note: Authority G.S. 143B-276; 143B-277; 143-323(d);
Eff. December 1, 1983;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. April 25, 2015.*

10A NCAC 97B .0604 PROHIBITION AGAINST RESTRICTIONS OF SERVICES

In administering programs funded by the Office, grant recipients must be free from any rules and practices which:

- (1) restrict participation in programs of persons who meet the income eligibility guidelines, and where applicable, program guidelines;
- (2) unreasonably limit participation by persons from any geographic area within the service area;
- (3) restrict program participation of eligible persons because of race, religion, sex, age, or national origin; and
- (4) prevent free participation in programs of eligible persons who are living in a community, whether or not they qualify as a legal or permanent resident.

*History Note: Authority G.S. 143B-276; 143B-277; 143-323(d);
Eff. December 1, 1983;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. April 25, 2015.*

SECTION .0700 - PERSONNEL STANDARDS

10A NCAC 97B .0701 PUBLICATION OF PERSONNEL POLICIES

To provide for the consistent and equitable treatment of employees, and to ensure that all employees fully understand the terms and conditions of their employment, each grant recipient shall make available to its staff a copy of the grant recipient's personnel policies. A copy of the grant recipient's personnel policies shall be made available for review to all applicants for employment upon request.

*History Note: Authority G.S. 143B-10; 143B-276; 143B-277; 143-323(d);
Eff. December 1, 1983;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. April 25, 2015.*

10A NCAC 97B .0702 STANDARDS OF PERSONNEL ADMINISTRATION

The personnel policies and procedures of a private agency must be submitted to the Office as part of the certification for funding. The Personnel Policies and Procedures Manual shall contain, at a minimum, the elements listed in this Rule. These elements shall serve as a criteria for an evaluation of the personnel policies and procedures. The elements are:

- (1) a current compensation plan which contains both classification and compensation systems;
- (2) a grievance policy and procedure;
- (3) a code of conduct which provides:
 - (a) That no employee of a grantee, its agent, members of the employee's immediate family, and members of any board or policy-making body of such agencies, is allowed to solicit or accept gratuities, favors, or anything of monetary value from contractors or potential contractors, or to have any financial interest in any contract entered into by the grant recipient.

- (b) Rules and regulations for penalties, sanctions, or other disciplinary actions to be applied employees or agents of the grant recipient.
- (c) That no employee may engage in political activities as set forth in Rules .0801 through .0803 of this Subchapter;
- (4) rules prohibiting nepotism and which provide that:
 - (a) No person shall hold a job while he/she or a member of his/her immediate family serves on a board or committee of a grant recipient or delegate agency if that board or committee has authority to order personnel actions affecting his/her job.
 - (b) No person shall hold a job with the grant recipient over which a member of his/her immediate family exercises supervisory authority.
 - (c) No person shall hold a job with the grant recipient while either he/she or a member of his/her immediate family serves on a board or committee which, either by rule or by practice, regularly nominates, recommends, or screens candidates for the agency or program by which he/she is employed;
- (5) employees shall be paid at a rate no lower than the federal minimum wage. Subject to this minimum, the salary for each position supported by Office funds should be in accord with prevailing local practice for comparable positions in local public and/or private non-profit agencies;
- (6) employee benefits should be in accord with prevailing practice in comparable local public or private nonprofit agencies and should include annual and sick leave and health and retirement benefit plans; and
- (7) Reduction-In-Force Policy and Procedure.

History Note: Authority G.S. 143B-10; 143B-276; 143B-277; 143-323(d);
 Eff. December 1, 1983;
 Amended Eff. October 1, 1984;
 Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. April 25, 2015.

SECTION .0800 - PROHIBITION AGAINST POLITICAL ACTIVITIES

10A NCAC 97B .0801 POLITICAL ACTIVITIES

Funds received by grant recipients from the Office cannot be used for political activities, including providing voters and prospective voters with transportation to the polls or provide similar assistance in connection with an election of any voter registration activity and may not be used for lobbying activities.

History Note: Authority G.S. 143B-10; 143B-276; 143B-277; 143-323(d);
 Eff. December 1, 1983;
 Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. April 25, 2015.

10A NCAC 97B .0802 EMPLOYMENT AND SERVICES

Employment with or services from a grant recipient may not be offered as a consideration or reward for support or defeat of any political party or candidate for public office.

History Note: Authority G.S. 143B-10; 143B-276; 143B-277; 143-323(d);
 Eff. December 1, 1983;
 Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. April 25, 2015.

10A NCAC 97B .0803 EMPLOYEE ACTIVITIES

An employee or a grant recipient may not:

- (1) Use his official authority or influence for the purpose of interfering with or affecting the result of an election or a nomination for office;
- (2) Directly or indirectly coerce, attempt to coerce, command, or advise an employee to pay, lend, or contribute anything of value to a party, committee, organization, agency, or person for political purposes; or
- (3) Be a candidate for partisan elective office.

History Note: Authority G.S. 143B-10; 143B-276; 143B-277; 143-323(d);

Eff. December 1, 1983;

Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. April 25, 2015.

SECTION .1000 - GRANTS ADMINISTRATION

10A NCAC 97B .1001 GRANT AGREEMENT

(a) Upon approval of the application by the Office, a written grant agreement shall be executed between the grant recipient and the Department. These Rules, the approved application, and any subsequent amendment to the approved application shall become a part of the grant agreement.

(b) The grant agreement in its original form and all modifications thereto shall be kept on file in the office of the grant recipient for three years.

(c) The following general policies and procedures for expenditure of funds awarded under grant agreements apply:

- (1) Approved grant agreements will specify the maximum amount of assistance which a grant recipient is eligible to receive.
- (2) If, at any time during the budget year, the Office determines that grant funds are being expended improperly, the Office may require the grant recipient to cease incurring costs. Ineligible or other improper expenditures shall be reimbursed to the Office. Under such conditions, the Office will notify the grant recipient regarding the action being taken, the reasons for the Office's actions, and the conditions and time within which corrective procedures shall be made.
- (3) Funds can be committed by a grant recipient only during its approved budget year, as specified on the approved grant agreement. All financial obligations shall be satisfied within 90 days after the end of the budget year.
- (4) Conditions may be placed on a grant agreement. Failure to meet a condition by the grant recipient may result in suspension or termination, in whole or part of the grant agreement. When the conditions are met, the Office will notify the grant recipient and release any funds under the grant agreement.

History Note: Authority G.S. 143B-10; 143B-276; 143B-277; 143-323(d);

Eff. December 1, 1983;

Amended Eff. October 1, 1984;

Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. April 25, 2015.

10A NCAC 97B .1002 ADMINISTRATIVE REQUIREMENTS

(a) The policies and procedures set forth in the U.S. Office of Management and Budget Circular A-102: "Uniform Administrative Requirements for Grants-in-Aid to State and Local Governments," shall be applicable to the expenditure of funds by public grant recipients unless specifically stated otherwise in this Subchapter, subsequent subchapters, and/or by specific requirements imposed by federal and state legislation and regulations establishing a specific program.

(b) The policies and procedures set forth in the U.S. Office of Management and Budget Circular A-110: "Grants and Agreements with Institutions of Higher Education, Hospitals, and other Non-profit Organizations," shall be applicable to the expenditure of funds by private grant recipients unless specifically stated otherwise in this Subchapter, subsequent Subchapters, and/or specific requirements imposed by federal and state legislation and regulations establishing a specific program.

(c) In applying U.S. Office of Management and Budget Circular A-102 and A-110 the following definitions shall apply:

- (1) "Grantee" means public grant recipient or private grant recipient as defined in Rule .0101 of this Subchapter.
- (2) "Federal Grantor Agency" means the Office.
- (3) "Executive Agencies" means the Office.

History Note: Authority G.S. 143B-10; 143B-276; 143B-277; 143-323(d);

Eff. December 1, 1983;

Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. April 25, 2015.

10A NCAC 97B .1003 COST PRINCIPLES

(a) The policies and procedures set forth in the U.S. Office of Management and Budget Circular A-87: "Cost Principles Applicable to Grants and Contracts with State and Local Governments," shall be applicable to the expenditure of funds by public grant recipients unless specifically stated otherwise in this Subchapter, subsequent subchapters, and/or specific requirements imposed by federal and state legislation and regulations establishing a specific program.

(b) The policies and procedures set forth in the U.S. Office of Management and Budget Circular A-122: "Cost Principles for Non-profit Organizations," shall be applicable to the expenditure of funds by private grant recipients unless specifically stated otherwise in this Subchapter, subsequent Subchapters, and/or specific requirements imposed by federal and state legislation and regulations establishing a specific program.

(c) In applying the U.S. Office of Management and Budget Circular A-87 and A-122, the following definitions shall apply:

- (1) "Grantee" means public grant recipient or private grant recipient as defined in Rule .0102 of this Subchapter.
- (2) "Federal Grantor Agency" means the Office.
- (3) "Executive Agencies" means the Office.

*History Note: Authority G.S. 143B-10; 143B-276; 143B-277; 143-323(d);
Eff. December 1, 1983;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. April 25, 2015.*

10A NCAC 97B .1004 PROCUREMENT CONTRACTS OF GRANT RECIPIENTS

(a) The grant recipient shall include provisions to define a sound and complete agreement in all contracts which it awards when the costs are to be borne as a direct charge in whole or in part by funds awarded by the Office.

(b) In awarding such contracts, the grant recipient shall comply with the following requirements, if applicable to the type of contract:

- (1) The contract shall contain provisions or contain conditions which will allow for administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as may be appropriate.
- (2) All contracts in excess of two thousand five hundred dollars (\$2,500) shall have suitable provisions for termination by the recipient, including the basis for settlement. In addition, such contracts shall set forth the conditions under which the contract may be terminated for default, as well as conditions where the contract may be terminated because of circumstances beyond the control of the contractor.
- (3) All contracts [except those of two thousand five hundred dollars (\$2,500) or less] shall include provisions giving access to, and requiring retention of, the contractor's records relating to the contract.
- (4) All contracts shall contain provisions for compliance with civil rights and affirmative action provisions of this Subchapter.

*History Note: Authority G.S. 143B-10; 143B-276; 143B-277; 143B-323(d);
Eff. December 1, 1983;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. April 25, 2015.*

SECTION .1100 - REPORTS: MONITORING: EVALUATION AND REMEDIAL ACTION

10A NCAC 97B .1101 PROGRAM AND FISCAL REPORTS

Grant recipients operating projects funded by the Department must prepare and submit periodic program and fiscal reports to the Office. The required reports must be submitted to the Office according to the instructions and schedule provided by the Office. Failure to comply with the report requirements may result in either withholding of funds or possible suspension/termination of operations. The Office shall provide a sample of all required report forms, along with instructions.

*History Note: Authority G.S. 143B-10; 143B-276; 143B-277; 143-323(d);
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10A NCAC 97B .1102 MONITORING AND EVALUATION BY THE DIVISION

(a) The Office shall monitor projects administered by grant recipients of the Office. The factors to be monitored shall be:

- (1) Substantial Progress. The Office will review a grant recipient's performance to determine the recipient's progress in carrying out approved activities, goal and objectives, and will take into account such factors as expenditure of funds, obligation of funds, award of third party contracts, and other

measures of progress. The Office will compare a grant recipient's actual progress with the planned activities, goals, and objectives stated in the approved grant agreement. If a grant recipient's progress lags substantially behind the planned activities, goals, and objectives, further reviews may be conducted to determine the reasons for a lack of progress.

- (2) Conformance with approved program. The Office will review a grant recipient's performance to determine whether the activities undertaken during the period under review conform substantially to the grant agreement, including any amendments approved by the Office.
 - (3) Compliance. The Office will review a grant recipient's performance to determine whether the program carried out complies with the requirements of this Subchapter, and other applicable laws and regulations.
 - (4) Continuing Capacity. The Office will review grant recipient's performance to determine whether the grant recipient has a continuing capacity to carry out the approved program in a timely manner.
- (b) The Office shall evaluate projects administered by grant recipients of the Office. The evaluation shall involve collecting the necessary information and data to determine:
- (1) program efficiency;
 - (2) program productivity;
 - (3) cost in relation to effectiveness;
 - (4) impact on communities and participants;
 - (5) implications for related programs;
 - (6) extent to which needs of various socio-economic groups are met;
 - (7) adequacy of mechanisms for the delivery of services;
 - (8) the effectiveness of program in meeting the needs of poor people; and
 - (9) other applicable standards of effectiveness and measures of efficiency.
- (c) Each grant recipient shall assure that needed personnel will be on-site or available to participate in the monitoring and evaluation. Additionally, the grant recipient will make all pertinent administrative fiscal and programmatic data available to the Office.

*History Note: Authority G.S. 143B-10; 143B-276; 143B-277; 143-323(d);
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10A NCAC 97B .1103 REMEDIES

- (a) When the Office determines on the basis of the monitoring or evaluation of a grant recipient's performance that the goals and objectives of the project are not being met, as set forth in Rule .1102(a) of this Section, the Office may take one or more of the actions authorized in Paragraph (b) of this Rule. The action taken will be designed to:
- (1) prevent a continuance of one or more of the four deficiencies set forth in Rule .1102(a) of this Section;
 - (2) mitigate any adverse effects or consequences of the deficiency to the extent possible under the circumstances; and
 - (3) prevent a recurrence of the same or similar deficiencies.
- (b) The following is a listing of actions that the Office may take in response to a negative review of a recipient's performance:
- (1) require the grant recipient to submit additional information;
 - (2) require the grant recipient to submit progress schedules for completing approved activities;
 - (3) issue a letter of warning that advises the grant recipient of the deficiency and puts the recipient on notice that more serious sanctions will be taken if the deficiency is not corrected or is repeated;
 - (4) instruct the grant recipient to reprogram funds from affected activities to other eligible activities;
 - (5) instruct the grant recipient to reimburse the recipient's program account or the Office in any amounts improperly expended;
 - (6) change the method of payment from advance payment to a reimbursement basis;
 - (7) condition the approval of a succeeding year's application. In such cases, the reasons for the conditional approval and the actions necessary to remove the condition shall be as specified by the Office;
 - (8) reduce the recipient's annual grant agreement by an amount equal to or less than that conditionally approved where such condition or conditions have not been satisfied; and

- (9) suspend or terminate the contract in accordance with provisions in Attachment L of Office of Management and Budget Circular A-102 or attachment L of Office of Management or Budget Circular A-110.

*History Note: Authority G.S. 143B-10; 143B-276; 143B-277; 143-323(d);
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