



**North Carolina Department of Health and Human Services
Division of Aging and Adult Services**

2101 Mail Service Center • Raleigh, North Carolina 27699-2101
Tel 919 733-3983 • Fax No. 919 733-0443

Beverly Eaves Perdue, Governor
Lanier M. Cansler, Secretary

Dennis W. Streets
Director

DAAS Administrative Letter No. 10-13

To: Area Agencies on Aging

From: Dennis W. Streets, Director 

Subject: Suspension of Funding List

Date: July 29, 2010

Pursuant to DAAS Administrative Letter 06-07, General Statute 143-6.2 and the NC Administrative Code Chapter 09 NCAC 03M specify requirements for the use and reporting of state funds received by non-State entities. This law requires that non-State entities not in compliance with reporting requirements be suspended from funding. The definitions of “grantee” and “subgrantee” in G.S. 143-6.2(b) do not include agencies receiving Home and Community Care Block Grant and Older Americans Act Title III funding through area agencies on aging because area agencies on aging are subject to the audit and reporting requirements of the Local Government Commission. However, the position of the Division of Aging and Adult Services is that any non-State entity suspended from funding as specified in 09 NCAC 03M.601 shall also be suspended from receiving funding administered by the Division. The rationale is that non-State entities who fail to meet basic state reporting requirements may represent a significant management risk and thus jeopardize compliance with fiscal and program requirements in the delivery of aging services. We believe this precaution is consistent with our responsibility to be good stewards of public funds.

In an effort to streamline the process of assisting Area Agencies and their providers that are listed on the Suspension of Funding (SOFL) List for noncompliance with the submission of G.S. 143C-6-23 reports to the Office of State Budget and Management (OSBM) (www.ncgrants.gov), the Division will review the SOFL each time it is published by OSBM and contact providers directly to make providers aware that they are on the SOFL and encourage providers to submit the necessary reports to OSBM so that they may be removed from the SOFL.

Entities have either 6 or 9 months from their fiscal year end to submit G.S. 143C-6-23 reports which is clearly outlined in their contract/grant awards. If the entity fails to submit the required reports within that timeframe, they are considered noncompliant. Noncompliance is essentially a

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60-day “warning” or grace period before the entity is suspended if the reports remain unfiled at the end of the 60 days.

The Division will be notifying providers via hardcopy letter and will copy the Area Agency. Providers will have 30 days from the date of the letter to submit the reports required to be removed from the SOFL. If the provider is still non-compliant after the 30-day period, the Division will make the provider inactive in ARMS which will prevent the provider from entering new clients, units, printing reports, etc. At this point, the provider will not receive any reimbursements. Upon submission of the required reports to OSBM, providers should notify the Division at the point OSBM tells them they have met all reporting requirements and have been removed from the SOFL. The Division will then verify that the provider has met the requirements to be removed and make the provider active again in ARMS. Any reimbursements held for the prior month(s) will be disbursed.

Area Agencies should continue to reimburse providers that are on the SOFL until such time the Area Agency is notified in writing by the Division that the provider is noncompliant and has been made inactive in ARMS.

If you have any questions regarding this information, please contact Kim Jacobs at (919) 733-8390 Ext. 218.

DWS/kj