

IV. Fiscal Practices

The North Carolina Department of Health and Human Services (NC DHHS) Office of the Controller maintains the financial records in a manner to reflect separate accountability for each type of activity administered by the NC DHHS with disbursement classifications as required by the Office of the State Controller and the various federal agencies. The Department utilizes the North Carolina Accounting System, (NCAS) which is an on-line uniform accounting system.

The NCAS provides the uniform chart of accounts file, the central vendor file and the central item file. It provides central management of other key statewide data fields and system policies. The NCAS provides a library of standard control which allows for financial and budgetary reports and a set of defined system parameters that assures sufficient levels of timely, accurate information at the agency and statewide levels.

Principal records of administrative expenses are maintained by the NC DHHS Office of the Controller General Accounting and Financial Management and Accounts Receivable Sections. Expenditures are substantiated by payrolls, invoices, receipts, and other acceptable accounting data. Maintenance and custody of the records and supporting documents are also the responsibility of the NC DHHS Office of the Controller General Accounting and Financial Management and Accounts Receivable Sections.

In accordance with 45 CFR Part 95 Subpart E 95.507(6), costs claimed for services provided by a governmental agency outside the Department of Health and Human Services are supported by written agreements.

The Office of the State Auditor annually audits the records of the NC DHHS, covering all expenditures from State and Federal funds in accordance with OMB Circular A-133.

Federal funds are drawn electronically utilizing various online systems which are administered by the NC DHHS Office of the Controller with funds being made available through the NC DHHS Cash Management Control System (CMCS). Funds drawn are also governed by the provision of the Treasury State Agreement with the NC Department of State Treasurer. Funds are drawn down by the Federal Funds/Financial Reporting Branch of the Office of the Controller and deposited in CMCS.

In accordance with the approved negotiation agreement between the NC DHHS and the United States Division of Cost Allocation, the Divisions receive a yearly fixed amount of departmental and state-wide indirect cost.

The annual fixed indirect cost includes a carry forward to adjust prior year fixed cost to actual allowable cost.

NOTES:

Personnel costs for an employee performing duties outside of those included in the normal Responsibility Cost Center (RCC) allocation or direct charge method are reclassified to appropriate program(s) based on time records or such other documentation that provide an equitable distribution of costs. (Example: seasonal energy assistance duties, disaster activities)

Work performed in an RCC for outside agencies is billed accordingly and treated as a cost recovery.

From time to time an RCC which becomes inactive at the end of one state fiscal year must remain in the Plan for the next state fiscal year in order to make final payments or receive refunds.

The position count used in the monthly cost allocation schedules represents the number of positions by RCC filled in the current month according to the Building Enterprise Access for North Carolina's Core Operation Needs (BEACON) Human Resource/Payroll System BO149: Positions by Funding Source. The count is adjusted as necessary for organizational changes.

The budget amounts represent the current budget effective on the date a new RCC is established in the cost allocation plan or when changes are necessary to amend an RCC.