

DEPARTMENT OF HEALTH AND SENIOR SERVICES

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**New Jersey Department of Health and Senior Services**

**GRANT COMPLIANCE REQUIREMENTS**

**Grant Title:** New Jersey Commission on Spinal Cord Research

**Account Number:** 750 046 4210 001

**I. GENERAL STATE REQUIREMENTS**

The following administrative requirements are applicable to the various types of agencies, which receive grant funds from the Department of Health and Senior Services.

**A. COMPLIANCE REQUIREMENTS**

**1. POLITICAL ACTIVITY**

Grant funds cannot be used for partisan political activity of any kind by any person or organization involved in the administration of state or federally-assisted programs. Hatch Act (5 U.S.C. 1501-1508) and Intergovernmental Personnel Act of 1970 as amended by Title VI of Civil Service Reform Act (P.L. 95-454 Section 4728).

Suggested Audit Procedures

Test the expenditure and related records for indications of lobbying activities, publications, or other materials intended for influencing legislation or similar type costs.

Test the personnel and payroll records, and identify persons whose responsibilities or activities include political activity.

Test whether the above costs, if any exist, are charged directly or indirectly, to Grants.

**2. DAVIS-BACON ACT**

When required by the grant program legislation, all laborers and mechanics employed by contractors or subcontractors to work on construction projects must be paid wages not less than those established for the locality of the project by the Secretary of Labor.

(40 Stat. 1491, Mar 3, 1921, Chap. 411, 40 U.S.C. 276A-276A-5).

Suggested Audit Procedures

Identify the programs involving construction activities.

Review selected construction contracts and subcontracts and determine whether they contain provisions requiring the payment of "prevailing" wages.

Review the grantee's system for monitoring applicable contractors and subcontractors with respect to payment of prevailing wages and evaluate for adequacy.

Review the monitoring system for contracts for selected programs and determine whether there is adherence to the prescribed procedures.

For grantee's which have not developed a system, or whose system is not operating effectively:

- Obtain payroll lists from contractors and review wages paid.
- Determine whether wages paid conform to the prevailing wages.

### 3. CIVIL RIGHTS

No person shall, on the grounds of race, color, national origin, age, or handicap, be excluded from participation in or be subjected to discrimination in any program or activity funded, in whole or in part, by grant funds. Discrimination on the basis of sex or religion is also prohibited in some programs. (Age-42 U.S.C. 6101 et. seq.; Race-42 U.S.C. 2000d; Handicap-29 U.S.C. 794.)

#### Suggested Audit Procedures

Determine whether the grantee has announced a formal policy of nondiscrimination.

For recipients employing 15 or more persons, ascertain whether a person has been designated to oversee civil rights compliance.

Ascertain from the grant agreement whether any of the programs contain prohibitions against discrimination on the basis of sex or religion.

Ascertain the number of complaints filed with federal, state and/or local agencies responsible for ensuring nondiscrimination in government programs during the fiscal year, the status of unresolved complaints or investigations, and the actions taken on resolved complaints or completed investigations.

Ascertain whether any of the programs contain prohibitions against discrimination in employment; for those programs (1) review the annual report filed with the Equal Employment Opportunity Commission (EEOC), if any, and (2) ascertain the number of complaints filed during the fiscal year, the status of unresolved complaints and investigations, and the actions taken on resolved complaints or completed investigations.

Determine whether facilities financed by grant funds that are required to be located in a nondiscriminatory manner are so located.

Obtain representation and/or attorney letters to determine if any civil rights suits have been adjudicated or are pending.

### 4. AMERICANS WITH DISABILITIES ACT OF 1990

Any Program or activity funded, in whole or in part, by State and/or Federal Funds is subject to the Americans with Disabilities Act of 1990. Title II of the Americans with Disabilities Act (ADA) provides that "no qualified individual with a disability shall, by reason of such disability, be excluded from participation in or be denied the benefits of the services, programs, or activities of a public entity, or be subjected to discrimination by such entity." 42 U.S.C., 12132 et. seq.

#### Suggested Audit Procedures

Determine if the Grantee is in compliance with the Americans with Disabilities Act of 1990.

5. DEBARMENT AND SUSPENSION

Federal Executive Order 12549 "Debarment and Suspension," and State Executive Order 34/1976 state that a grantee may not be eligible for an award funded by Department appropriations if the agency, its key employees or subgrantees have been debarred from Federal Procurement and Non-Procurement programs.

Suggested Audit Procedures

Verify that the grantee, its key employees or subgrantees have not been debarred from State or Federal Procurement and Non-Procurement Programs.

6. LOBBYING

Section 319 of Federal Public Law 101-121 prohibits recipients of contracts, grants and loans from using appropriated funds for lobbying the Executive or Legislative Branches of Government in connection with a specific contract, grant or loan. Section 319 also requires that each person who requests or receives a contract, grant, cooperative agreement, loan or a commitment to insure or guarantee a loan, must disclose lobbying activities.

Suggested Audit Procedures

Verify that funds have not been used for lobbying activities as stated in Section 1352 of Public Law 101-121.

Verify that the Standard Form-LLL, "Disclosure Form to Report Lobbying" was completed indicating to whom payments were made, how much money was involved and the type of work involved. Verify that the standard form was submitted to the Granting Agency to disclose activities pursuant to 31 U.S.C. 1352.

7. GRANTEE'S TERMS & CONDITIONS FOR ADMINISTRATION OF GRANTS

Administrative and financial requirements stated in this manual are applicable to all agencies, which receive grant funds from the Department.

Suggested Audit Procedures

Determine if the grantee is in compliance with laws, regulations and administrative and financial requirements and funds have been applied efficiently, economically and effectively.

8. FEDERAL FINANCIAL REPORTS

Most programs require the periodic submission of financial reports that fall within one or more of the following categories. The specific requirement for each grant program is presented in Attachment A of the Grant and the appropriate sub-part of the Terms and Conditions for the Administration of Grants for that program. The suggested audit procedures are provided below to facilitate the requirement for the auditor to comment on completeness and accuracy.

- a. Subpart R of the Terms and Conditions lists required financial reports that apply to most of the programs described in this document.
- b. Subpart F and G of the Terms and Conditions list cash management and payments requirements.

Suggested Audit Procedures

Review the procedures for preparing the financial reports and evaluate for adequacy.

Trace data to the supporting documentation, i.e., worksheets, ledgers, etc.

Review adjustments made to the general ledger amounts in the report affecting programs and evaluate for propriety.

9. LOCAL/STATE FIRE AND SAFETY CODES

Suggested Audit Procedures

Verify that the grantee's Local/State Fire and Safety Codes are in accordance to the uniform Fire Safety Act, NJAC 518, related statute NJSA 52, code 27-D-1-9-2.

10. PRO-CHILDREN ACT OF 1994 - ENVIRONMENTAL TOBACCO SMOKE

This act requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, early childhood development services, education or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan or loan guarantee. The law also applies to children's services that are provided in indoor facilities that are constructed, operated, or maintained with such federal funds. The law does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment service providers whose sole source of applicable Federal funds is Medicare or Medicaid; or facilities where WIC coupons are redeemed. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1,000 for each violation and/or the imposition of an administrative compliance order on the responsible entity. If applicable, the grantee is to sign a certification indicating that the agency/organization will comply with the requirements of the Act and will not allow smoking within any portion of any indoor facility used for the provision of services for children as defined by the Act.

Suggested Audit Procedures

Determine if the grantee is in compliance with the Pro-Children Act of 1994 and a certification has been signed and is on file in the agency's office.

## II. SPECIFIC REQUIREMENTS

### A. Applicable Statute (or)

**NJCSCR Fund, Chapter 201, P.L. 1999, NJSA 52:E-1**

### B. Applicable Federal Domestic Assistance Catalog Number

N/A

### C. PROGRAM OBJECTIVES

The NJCSCR is committed to accelerating research to develop effective interventions and cures for paralysis and other consequences of spinal cord injury and disease.

Its primary objectives are:

- To advance the field of spinal cord repair and regeneration and the New Jersey research community by encouraging established scientists to apply their expertise to the spinal cord.
- To foster collaborative, interdisciplinary approaches to spinal cord research.
- To nurture the next generation of spinal cord researchers through support of young scientists and postdoctoral fellows.
- To prevent or treat secondary biological conditions resulting from spinal cord injury.
- To promote dissemination of the research findings generated by those scientists supported by the NJCSCR.

NJCSCR awards are intended to promote innovative, groundbreaking research, not to provide long-term support. Grantees are eligible to apply for funding for additional projects, but such applications will be reviewed competitively.

### D. FUNDING PRIORITIES

The New Jersey Commission on Spinal Cord Research will fund research activities that hold promise of developing effective interventions and cures for paralysis and other consequences of spinal cord injury and disease. The areas of research listed below highlight the focus of current NJCSCR emphasis and funding:

- Studying strategies to promote neuronal growth and survival, encourage the formation of synapses, enhance appropriate myelination, restore axonal conduction, replace injured cells, or otherwise improve function after spinal cord injury.
- Evaluating efficacy of drugs and other interventions that prevent or reduce secondary neuronal injury or providing insight into the mechanisms causing progressive damage.
- Defining anatomical characteristics of spinal cord injury or disease in well-defined animal models and in the human spinal cord, specifically documenting the cellular systems vulnerable to injury or disease and the functional losses which occur as a result thereof.
- Elucidating biological or physical mechanisms underlying approaches to improve functions compromised by spinal cord injury, e.g., bladder, bowel and sexual function, and alleviate chronic pain, spasticity, and severe hypertension.
- Developing strategies to prevent or treat secondary complications arising from injury or disease to the spinal cord.
- Developing innovative restorative rehabilitation strategies to promote recovery of biological function.
- Translating basic and pre-clinical findings into clinical application.
- Supporting the investigation of promising new approaches.

## E. ELIGIBILITY

The following researchers are eligible to submit proposals to the NJCSCR for research grant awards. All applicants, organizations/institutions must be located within the State of New Jersey.

- Ph.D., M.D., or other such professionals.
- Independent investigators at any stage of professional development.
- Postdoctoral fellows, Graduate fellows.
- Established investigators new to the field of spinal cord injury research.
- Young Investigators (five years post-completion of formal training)

Collaborations between basic research scientists and clinicians with spinal cord injury experience are encouraged. Young investigators are encouraged to partner with established investigators to nurture their scientific growth.

**All applicants including Principal Investigators and organizations/institutions are encouraged to collaborate with other New Jersey-based researchers as well as with researchers located out-of-state, or out of the country.** Senior scientists, young investigators, postdoctoral and graduate fellows may serve as Principal Investigator. If the applicant is a fellow, he/she must submit a letter of support from the laboratory's senior scientist, as well as two other appropriate letters of reference.

## F. PROTECTION OF HUMAN SUBJECT, ANIMAL WELFARE, AND RECOMBINANT DNA

Compliance with National Institutes of Health regulations for the protection of human subjects, animal welfare, recombinant DNA, and inclusion of women and minorities in clinical trials is required for all grants.

It is the responsibility of the applicant as a potential recipient of a NJCSCR grant to assure that the rights and welfare of all human subjects used in any NJCSCR sponsored research are protected. Any applications involving human subjects must be reviewed and approved by the appropriate institutional review board.

It is the responsibility of the applicant as a potential recipient of a NJCSCR grant to assure proper care and treatment of all laboratory animals used in any NJCSCR sponsored research. Any applications involving laboratory animals must be reviewed and approved by the appropriate institutional review committee.

It is the responsibility of the applicant as a potential recipient of a NJCSCR grant to assure that the physical and biological containment needed for research involving any recombinant DNA molecules is within policies set out in the current "National Institutes of Health Guidelines for Research Involving Recombinant DNA Molecules." Any applications involving recombinant DNA molecules must be reviewed and approved by the appropriate institutional review board.

## G. PROGRAM PROCEDURES

The NJCSCR offers four types of grants; the specifics are outlined below. All qualified institutions including Principal Investigators and Organizations/institutions are encouraged to apply for the awards.

For all NJCSCR grants, a qualified institution is defined as any academic institution, research organization, public or private institution or other entity, located in the State of New Jersey, with a demonstrated capability to conduct grant funded research, and specifically approved by the vote of the Commission, but in no case can an individual be a qualifying research institution

All research proposals will be reviewed for scientific merit, technical merit, research significance, and relevance to the NJCSCR priorities by an independent scientific merit review panel. Scientists supported by the NJCSCR are expected to fully report the results of their research to the NJCSCR, and may be asked to report on their results or work in progress, at a symposium organized by the NJCSCR. Grantees are also expected to acknowledge the support of the New Jersey Commission on Spinal Cord Research in all presentations and publications.



**G. PROGRAM PROCEDURES – CONTINUED**

**The NJCSCR reserves the right to distribute funds among the grants in all its grant programs. The NJCSCR reserves the right not to fund any grant in any of its grant programs to the maximum amount, or not to fund any grant in any program at all. Grant awards to all four programs will not exceed \$6,500,000 as published in the New Jersey Register for Fiscal Year 2004.**

***Five-Year Named Chair for Senior & Junior Faculty Grants*** – The NJCSCR will fund grants totaling \$1,000,000 for senior faculty and \$600,000 for junior faculty for a Five-Year Named Chair for Senior and Junior Faculty to recruit highly qualified researchers to conduct spinal cord research in New Jersey. All qualifying institutions in the State of New Jersey may apply. The qualifying institution must provide evidence of support such as appropriate laboratory facilities and the commitment of financial support necessary to sustain the research for a minimum of five years. A qualifying research institution may not apply for both a "One-Time Start-Up Costs" grant and a "Five-Year Named Chair for Senior and Junior Faculty" grant using the same faculty member in the same grant year.

Grants will total \$1,000,000 for senior faculty and \$600,000 for junior faculty (including direct and indirect costs; a maximum of 10% may be applied to indirect costs). Successful candidates also will receive \$100,000 and \$50,000 respectively in start-up costs. The person holding this position will be called "New Jersey Professor of Spinal Cord Research."

A senior faculty candidate will have a Ph.D. and/or M.D., an outstanding record of excellence and achievement in areas relevant to spinal cord injury research, high quality publications, a national/international reputation, demonstrated leadership capabilities, evidence of sustained success in competitive science funding, and a commitment to the development of practical therapies. Experienced researchers in other fields moving to spinal cord research also will be considered.

A junior faculty candidate will have a Ph.D. and/or M.D., appropriate postdoctoral experience in a well-established research facility, and confidential recommendations from the director and senior leaders of his/her present research setting. Outside references will enhance the application.

Applications are evaluated based upon evidence provided by the qualifying institution that the proposed candidate has accepted a position and that appropriate research facilities are available or will be provided by the start date of this award. Awards will begin on or about June 15, 2004. Money granted must be held in a separate account by the institution with all accrued interest being maintained in the account. Any change either in awardee or the research focus will result in the revocation of the award and the return of all funds on a prorated basis.

Annual funding within the five-year period will be contingent upon the availability of funds and the submission of an annual Narrative Report that is favorably reviewed by an independent scientific merit review panel. The panel's continuation recommendations will be made to the NJCSCR for funding approval. Project periods may not exceed five years. An Evaluation Form must be submitted to the NJCSCR office each year for two years following termination of a Five-Year Named Chair grant. All forms are available at <http://www.state.nj.us/health/spinalcord/>.

***One-Time Start-Up Cost Grants*** – The NJCSCR will fund start-up costs ranging from \$250,000 to \$1,000,000 to facilitate the establishment of new spinal cord injury research laboratories. The primary focus of the research must hold promise of developing effective interventions and cures for paralysis and other consequences of spinal cord injury and disease.

All qualifying institutions in the State of New Jersey may apply. The qualifying institution must provide evidence of qualified research leadership for the new laboratory and the commitment of financial support necessary to sustain the research for a minimum of five years. A qualifying research institution may not apply for both a "One-Time Start-Up Costs" grant and a "Five-Year Named Chair for Senior and Junior Faculty" grant using the same faculty member in the same grant year.

Grants ranging from \$250,000 to \$1,000,000 will be available from the New Jersey Spinal Cord Research Fund to support the initiation of new research programs in spinal cord injury. These awards may be used for the renovation of space, support of research personnel (maximum of one year salary for technical support staff; after the first year, no personnel cost are permitted), and the purchase of equipment directly related to the research. No indirect costs are permitted. The goal of this program is to enable the establishment of new laboratories and facilitate the recruitment of highly qualified researchers to conduct spinal cord research in New Jersey.

**G. PROGRAM PROCEDURES – CONTINUED**

Proposals are evaluated based upon evidence provided by the qualifying institution that a new research laboratory will be established upon receipt of these funds. Such evidence should include, but is not limited to, range of construction, detailed equipment listing, evidence of other support from the institution, evidence that the institution is providing space to be renovated, information on a newly recruited faculty or staff member, or evidence that an experienced researcher in a related field will establish a new laboratory dedicated to spinal cord injury research.

Awards will begin on or about June 15, 2004. Money granted must be held in a separate account with all accrued interest being maintained in the account. Each grant award will be contingent upon the availability of funds. Any change in the research focus will result in the revocation of the award and the return of funds on a prorated basis. This is a one-year grant award with a progress reporting period of five years during which time an annual Narrative Report must be submitted to the NJCSCR office. Evidence of the necessary organizational/institutional financial support to sustain the research must be included as part of the report. All forms are available at <http://www.state.nj.us/health/spinalcord/>.

**Individual Research Grants** - The NJCSCR will fund Individual Research Grants. Applicants are encouraged to apply for a one-year or two-year award. Maximum funding is up to \$200,000 per year including direct and indirect costs, (10% maximum for the latter).

The goals of this program are (1) to encourage promising postdoctoral fellows and young investigators to undertake research on spinal cord regeneration, recovery and rehabilitation; (2) to encourage scientists who are well-established in other areas to transfer their efforts to spinal cord research; and (3) enable researchers with novel scientific and clinical ideas to test them and develop pilot data needed to seek larger awards from the National Institutes of Health, and other funding sources.

Principal investigators must be affiliated with a New Jersey State academic institution, research organization, public or private agency or other entity with demonstrated capability to conduct research responsibly. Senior scientists, young investigators, and postdoctoral fellows may serve as principal investigator. If the applicant is a fellow, s/he must submit a letter of support from the laboratory's senior scientist, as well as two other appropriate letters of reference. Unaffiliated individuals will not be funded. Individuals of any nationality or citizenship status may apply, provided they are employed by or affiliated with a qualified New Jersey State organization/institution.

Awards will begin on or about June 15, 2004. All qualifying institutions in the State of New Jersey may apply. Two-year awards are made through one-year contracts. Each funding award within the two-year period will be contingent upon the availability of funds. Second-year support for all Individual Research grants is contingent upon submission of a Grant Continuation Application. The Grant Continuation Application must be favorably reviewed by an independent scientific merit review panel and recommended to the NJCSCR for continued funding. An Evaluation Form must be submitted to the NJCSCR office each year for two years following termination of an Individual Research grant. All forms are available at <http://www.state.nj.us/health/spinalcord/>.

**Fellowship Grants - Postdoctoral Fellowships** are two-year awards of \$50,000 per annum. They provide an annual stipend of \$36,000, a research allowance of \$13,000, and a travel budget of \$1,000. No part of the award may be used for institutional overhead or indirect costs. Institutions may supplement stipends, but not with other full-time fellowship awards, or other NJCSCR monies. Candidates of outstanding quality must hold a Ph.D., and/or M.D., or equivalent graduate degree. Appropriate degrees must be awarded prior to activation of award. Candidates must be accepted for postdoctoral training under the supervision of an appropriate mentor at a qualifying academic research institution in New Jersey. A candidate may not apply for a NJCSCR Postdoctoral Fellowship and a NJCSCR Individual Research grant in the same grant cycle. If a first-year fellow applies for and is awarded a NJCSCR Individual Research Grant, funding will be contingent upon cancellation of the second year of the fellowship. Non-research activities, such as teaching, may not occupy more than 10% of the fellow's time.

**Graduate Student Fellowships** are two-year awards of \$30,000 per annum. They provide an annual stipend of \$25,000, a research allowance of \$4,000, and a travel budget of \$1,000. No part of this award may be used for institutional overhead, or for tuition. Institutions may supplement stipends, but not with other full-time fellowship awards or other NJCSCR monies. Applicants must be full-time graduate students in residence in a proposed course of study directly related to regeneration and repair of the damaged spinal cord. Students must begin study in the semester following activation unless special permission is received prior to activation date. The NJCSCR prefers to support graduate student candidates who have completed the first year of graduate study and are concentrating on research projects at least 80% of their time.

Applicants may serve as teaching assistants while holding a NJCSCR Graduate Student Fellowship without special permission. Postdoctoral and Graduate Student Fellowship awards will begin on or about June 15, 2004. Each funding award within the two-year period will be contingent upon the availability of funds. All Postdoctoral and Graduate Student Fellows must submit a first-year Progress Report accompanied by a letter of support from the fellow's mentor. Second-year fellowship funding is contingent upon the successful review of the first-year Progress Report and a recommendation from the mentor. An Evaluation Form must be submitted to the NJCSCR office each year for two years following termination of the Fellowship grant. All forms are available at <http://www.state.nj.us/health/spinalcord/>.

- a. State Compliance Requirements
- b. 1. Types of services Allowed or Unallowed
  - a. Compliance Requirements

**Monies cannot be expended for other than approved research projects which are based upon the specific topic approved by the NJCSCR.**

2. Eligibility

- a. Compliance Requirements

**Grants for spinal cord research are awarded as specified in the policies governing research grants.**

- b. Suggested Audit Procedures

**Review policies governing New Jersey Spinal Cord Research Awards.**

3. Matching, Level of Effort, and/or Allocation Requirements

- a. Compliance Requirements

**Cost reimbursement or advance payment methods may be implemented for new and renewal grants upon request and approval by the NJCSCR. Payments may be withheld if Financial Reports, Grant Continuation Applications, annual Progress Reports, annual Narrative Reports or Final Narrative Reports are outstanding. All payment arrangements will be reviewed on an individual basis.**

**Individual accounts must be established for each grant type. Accurate records, including documentation of all transactions must be maintained. All forms are available at <http://www.state.nj.us/health/spinalcord/>.**

**All interim Financial Reports must be submitted at the end of each quarterly period. The interim Financial (quarterly) Reports are due October 20, January 20, April 20 and July 20. All Financial Reports must have the signature of the financial officer of the organization/institution, and must be submitted no later than the 20<sup>th</sup> day of the month immediately following the end of the reporting period. The NJCSCR or its designated representative reserves the right to audit accounts at any time.**

**Over expenditures, commitments not paid within 60 days of termination, or expenditures made prior to the activation date are not the responsibility of the NJCSCR.**

**A Final Financial Report, together with a refund of any unexpended funds, must be made within 60 days of termination date. This Final Financial Report should be reviewed and signed by the Principal Investigator (applicant) and the financial officer of the organization/institution. All records must be retained for 3 years from the date of the Final Financial Report. In the case of audit or litigation, this period may be extended until completion of said action.**

- b. Suggested Audit Procedures

**Review policies governing New Jersey Spinal Cord Research Awards.**

4. Reporting Requirements
  - a. Compliance Requirements

**Five-Year Named Chair for Senior & Junior Faculty Grants** – Financial Reports must be submitted quarterly. The Final Financial Report must be submitted no later than 60 days after termination of the grant. Annual funding within the five-year period will be contingent upon the availability of funds and the submission of an annual Narrative Report that is favorably reviewed by an independent scientific merit review panel. **All Narrative Reports are due at the NJCSCR office by February 15.** A Final Narrative Report is required and must be submitted within 60 days of termination of the Five-Year Named Chair grant. An Evaluation Form must be completed for two years following termination of a Five-Year Named Chair grant. All forms are available at <http://www.state.nj.us/health/spinalcord/>. The NJCSCR office will send reminders as appropriate.

**One-Time Start-Up Cost Grants** – Financial Reports must be submitted quarterly. The Final Financial Report must be submitted no later than 60 days after termination of the grant. Each grant award will be contingent upon the availability of funds. This is a one-year grant award with a progress reporting period of five years during which time an annual Narrative Report must be submitted to the NJCSCR office. Evidence of the necessary organizational/institutional financial support to sustain the research must be included as part of the report. **All Narrative Reports are due at the NJCSCR office by February 15.** A Final Narrative Report is required and must be submitted to the NJCSCR office within 60 days of termination of a One-Time Start-Up grant. All forms are available at <http://www.state.nj.us/health/spinalcord/>. The NJCSCR office will send reminders as appropriate.

**Individual Research Grants** – Financial Reports shall be submitted quarterly. The Final Financial Report shall be submitted no later than 60 days after termination of the grant. Each funding award within the two-year period will be contingent upon the availability of funds. Second-year support for all Individual Research grants is contingent upon submission of a Grant Continuation Application. The Grant Continuation Application must be favorably reviewed by an independent scientific merit review panel and recommended to the NJCSCR for continued funding. **Grant Continuation Applications are due at the NJCSCR office by February 15.** A Final Narrative Report is required and must be submitted to the NJCSCR office within 60 days of termination of an Individual Research grant. An Evaluation Form must be submitted to the NJCSCR office each year for two years following termination of an Individual Research grant. All forms are available at <http://www.state.nj.us/health/spinalcord/>. The NJCSCR office will send reminders as appropriate.

**Fellowship Grants** – Financial Reports shall be submitted quarterly. The Final Financial Report shall be submitted no later than 60 days after termination of the grant. Each funding award within the two-year period will be contingent upon the availability of funds. All Postdoctoral and Graduate Student Fellows must submit a first-year Progress Report accompanied by a letter of support from the fellow's mentor. Second-year fellowship funding is contingent upon the successful review of the first-year Progress Report and a recommendation from the mentor. **All Progress Reports are due at the NJCSCR office by February 15.** A Final Narrative Report is required and must be submitted to the NJCSCR office within 60 days of termination of a Fellowship grant. An Evaluation Form must be completed for two years following termination of the Fellowship grant. All forms are available at <http://www.state.nj.us/health/spinalcord/>. The NJCSCR office will send reminders as appropriate.

- b. Suggested Audit Procedures

**Reports should be submitted in a timely manner. Review and test for accuracy of reports.**

5. Special Tests and Provisions
  - a. Compliance Requirements

**Attachment C (Program Specifications) includes special provisions.**

- b. Suggested Audit Procedures

**Determine whether provisions in Attachment C of the Notice of Grant Award have been met.**

**New Jersey Department of Health and Senior Services**

**GRANT COMPLIANCE REQUIREMENTS**

Grant Title: Family Planning Services

Account Number: 100 046 4220 074

**I. GENERAL STATE REQUIREMENTS**

The following administrative requirements are applicable to the various types of agencies, which receive grant funds from the Department of Health and Senior Services.

**A. COMPLIANCE REOUIREMENTS**

**1. POLITICAL ACTIVITY**

Grant funds cannot be used for partisan political activity of any kind by any person or organization involved in the administration of state or federally-assisted programs. Hatch Act (5 U.S.C. 1501-1508) and Intergovernmental Personnel Act of 1970 as amended by Title VI of Civil Service Reform Act (P.L. 95-454 Section 4728).

Suggested Audit Procedures

Test the expenditure and related records for indications of lobbying activities, publications, or other materials intended for influencing legislation or similar type costs.

Test the personnel and payroll records, and identify persons whose responsibilities or activities include political activity.

Test whether the above costs, if any exist, are charged directly or indirectly, to Grants.

**2. DAVIS-BACON ACT**

When required by the grant program legislation, all laborers and mechanics employed by contractors or subcontractors to work on construction projects must be paid wages not less than those established for the locality of the project by the Secretary of Labor.

(40 Stat. 1491, Mar 3, 1921, Chap. 411, 40 U.S.C. 276A-276A-5).

Suggested Audit Procedures

Identify the programs involving construction activities.

Review selected construction contracts and subcontracts and determine whether they contain provisions requiring the payment of "prevailing" wages.

Review the grantee's system for monitoring applicable contractors and subcontractors with respect to payment of prevailing wages and evaluate for adequacy.

Review the monitoring system for contracts for selected programs and determine whether there is adherence to the prescribed procedures.

For grantee's which have not developed a system, or whose system is not operating effectively.

- Obtain payroll lists from contractors and review wages paid.
- Determine whether wages paid conform to the prevailing wages.

### 3. CIVIL RIGHTS

No person shall, on the grounds of race, color, national origin, age, or handicap, be excluded from participation in or be subjected to discrimination in any program or activity funded, in whole or in part, by grant funds. Discrimination on the basis of sex or religion is also prohibited in some programs. (Age-42 U.S.C. 6101 et. seq.; Race-42 U.S.C. 2000d; Handicap-29 U.S.C. 794.)

#### Suggested Audit Procedures

Determine whether the grantee has announced a formal policy of nondiscrimination.

For recipients employing 15 or more persons, ascertain whether a person has been designated to oversee civil rights compliance.

Ascertain from the grant agreement whether any of the programs contain prohibitions against discrimination on the basis of sex or religion.

Ascertain the number of complaints filed with federal, state and/or local agencies responsible for ensuring nondiscrimination in government programs during the fiscal year, the status of unresolved complaints or investigations, and the actions taken on resolved complaints or completed investigations.

Ascertain whether any of the programs contain prohibitions against discrimination in employment; for those programs (1) review the annual report filed with the Equal Employment Opportunity Commission (EEOC), if any, and (2) ascertain the number of complaints filed during the fiscal year, the status of unresolved complaints and investigations, and the actions taken on resolved complaints or completed investigations.

Determine whether facilities financed by grant funds that are required to be located in a nondiscriminatory manner are so located.

Obtain representation and/or attorney letters to determine if any civil rights suits have been adjudicated or are pending.

### 4. AMERICANS WITH DISABILITIES ACT OF 1990

Any Program or activity funded, in whole or in part, by State and/or Federal Funds is subject to the Americans with Disabilities Act of 1990. Title II of the Americans with Disabilities Act (ADA) provides that "no qualified individual with a disability shall, by reason of such disability, be excluded from participation in or be denied the benefits of the services, programs, or activities of a public entity, or be subjected to discrimination by such entity." 42 U.S.C., 12132 et. seq.

#### Suggested Audit Procedures

Determine if the Grantee is in compliance with the Americans with Disabilities Act of 1990.

### 5. DEBARMENT AND SUSPENSION

Federal Executive Order 12549 "Debarment and Suspension," and State Executive Order 34/1976 state that a grantee may not be eligible for an award funded by Department appropriations if the agency, its key employees or subgrantees have been debarred from Federal Procurement and Non-Procurement programs.

Suggested Audit Procedures

Verify that the grantee, its key employees or subgrantees have not been debarred from State or Federal Procurement and Non-Procurement Programs.

6. LOBBYING

Section 319 of Federal Public Law 101-121 prohibits recipients of contracts, grants and loans from using appropriated funds for lobbying the Executive or Legislative Branches of Government in connection with a specific contract, grant or loan. Section 319 also requires that each person who requests or receives a contract, grant, cooperative agreement, loan or a commitment to insure or guarantee a loan, must disclose lobbying activities.

Suggested Audit Procedures

Verify that funds have not been used for lobbying activities as stated in Section 1352 of Public Law 101-121.

Verify that the Standard Form-LLL, "Disclosure Form to Report Lobbying" was completed indicating to whom payments were made, how much money was involved and the type of work involved. Verify that the standard form was submitted to the Granting Agency to disclose activities pursuant to 31 V.S.C. 1352.

7. GRANTEE'S TERMS & CONDITIONS FOR ADMINISTRATION OF GRANTS

Administrative and financial requirements stated in this manual are applicable to all agencies, which receive grant funds from the Department.

Suggested Audit Procedures

Determine if the grantee is in compliance with laws, regulations and administrative and financial requirements and funds have been applied efficiently, economically and effectively.

8. FEDERAL FINANCIAL REPORTS

Most programs require the periodic submission of financial reports that fall within one or more of the following categories. The specific requirement for each grant program is presented in Attachment A of the Grant and the appropriate sub-part of the Terms and Conditions for the Administration of Grants for that program. The suggested audit procedures are provided below to facilitate the requirement for the auditor to comment on completeness and accuracy.

- a. Subpart R of the Terms and Conditions lists required financial reports that apply to most of the programs described in this document.
- b. Subpart F and G of the Terms and Conditions list cash management and payments requirements.

Suggested Audit Procedures

Review the procedures for preparing the financial reports and evaluate for adequacy.

Trace data to the supporting documentation, i.e., worksheets, ledgers, etc.

Review adjustments made to the general ledger amounts in the report affecting programs and evaluate for propriety.

9. LOCAL/STATE FIRE AND SAFETY CODES

Suggested Audit Procedures

Verify that the grantee's Local/State Fire and Safety Codes are in accordance to the uniform Fire Safety Act, NJAC 518, related statute NJSA 52, code 27-D-1-9-2.

10. PRO-CHILDREN ACT OF 1994 -ENVIRONMENTAL TOBACCO SMOKE

This act requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, early childhood development services, education or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan or loan guarantee. The law also applies to children's services that are provided in indoor facilities that are constructed, operated, or maintained with such federal funds. The law does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment service providers whose sole source of applicable Federal funds is Medicare or Medicaid; or facilities where WIC coupons are redeemed. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1,000 for each violation and/or the imposition of an administrative compliance order on the responsible entity. If applicable, the grantee is to sign a certification indicating that the agency/organization will comply with the requirements of the Act and will not allow smoking within any portion of any indoor facility used for the provision of services for children as defined by the Act.

Suggested Audit Procedures

Determine if the grantee is in compliance with the Pro-Children Act of 1994 and a certification has been signed and is on file in the agency's office.

**SPECIFIC STATE REQUIREMENTS**

**I. PROGRAM OBJECTIVES**

The objective of the Family Planning Services Program is to provide comprehensive family planning services on a voluntary basis to residents of New Jersey. The primary focus is upon low-income medically indigent residents.

**II. PROGRAM PROCEDURES**

Local projects submit proposals annually.

Proposals are reviewed.

Funding is based upon proposals.

On site monitoring and evaluation is performed annually by Program staff.



### III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

#### A. TYPES OF SERVICES ALLOWED OR UNALLOWED

##### Compliance Requirement

Moneys can only be expended to provide family planning services. This includes a complete medical history, physical examination, approved contraceptive services, counseling related to use of services, infertility services, appropriate laboratory services, pregnancy counseling and referral for other social and/or medical services. These moneys cannot be used to pay for an abortion. At least ninety (90) percent of projected patient load must be served.

##### Suggested Audit Procedures

- \* Review grant agreement and determine any special conditions;
- \* Test expenditures and related records.

#### B. ELIGIBILITY

##### Compliance Requirement

Anyone requiring family planning services. However, at least seventy (75) percent of the clients served must be at or below one hundred and fifty (150) percent of the poverty level.

##### Suggested Audit Procedures

- \* Check BCRR and/or data sheets to determine that this is being met.

#### C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING REQUIREMENTS

##### Compliance Requirement

At least ninety (90) percent of projected patient load must be served.

##### Suggested Audit Procedures

- \* The auditor is not expected to make tests for level of effort.

#### D. REPORTING REQUIREMENTS

##### Compliance Requirement

Quarterly Contract Report.

##### Suggested Audit Procedures

- \* Year-end independent audit;
- \* Review reports for completeness;
- \* Test accuracy of records.

**E. SPECIAL TESTS AND PROVISIONS**

None

**New Jersey Department of Health and Senior Services**

**GRANT COMPLIANCE REQUIREMENTS**

Grant Title: Hemophilia Services

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Account Number: 100 046 4220 075

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**I. GENERAL STATE REQUIREMENTS**

The following administrative requirements are applicable to the various types of agencies, which receive grant funds from the Department of Health and Senior Services.

**A. COMPLIANCE REOUIREMENTS**

**1. POLITICAL ACTIVITY**

Grant funds cannot be used for partisan political activity of any kind by any person or organization involved in the administration of state or federally-assisted programs. Hatch Act (5 U.S.C. 1501-1508) and Intergovernmental Personnel Act of 1970 as amended by Title VI of Civil Service Reform Act (P.L. 95-454 Section 4728).

Suggested Audit Procedures

Test the expenditure and related records for indications of lobbying activities, publications, or other Materials intended for influencing legislation or similar type costs.

Test the personnel and payroll records, and identify persons whose responsibilities or activities include political activity.

Test whether the above costs, if any exist, are charged directly or indirectly, to Grants.

**2. DAVIS-BACON ACT**

When required by the grant program legislation, all laborers and mechanics employed by contractors or subcontractors to work on construction projects must be paid wages not less than those established for the locality of the project by the Secretary of Labor.

(40 Stat. 1491, Mar 3, 1921, Chap. 411, 40 U.S.C. 276A-276A-5).

Suggested Audit Procedures

Identify the programs involving construction activities.

Review selected construction contracts and subcontracts and determine whether they contain provisions requiring the payment of "prevailing" wages.

Review the grantee's system for monitoring applicable contractors and subcontractors with respect to payment of prevailing wages and evaluate for adequacy.

Review the monitoring system for contracts for selected programs and determine whether there is adherence to the prescribed procedures.

For grantee's which have not developed a system, or whose system is not operating effectively:

- Obtain payroll lists from contractors and review wages paid.
- Determine whether wages paid conform to the prevailing wages.

### 3. CIVIL RIGHTS

No person shall, on the grounds of race, color, national origin, age, or handicap, be excluded from participation in or be subjected to discrimination in any program or activity funded, in whole or in part, by grant funds. Discrimination on the basis of sex or religion is also prohibited in some programs. (Age-42 U.S.C. 6101 et. seq.; Race-42 U.S.C. 2000d; Handicap-29 U.S.C. 794.)

#### Suggested Audit Procedures

Determine whether the grantee has announced a formal policy of nondiscrimination.

For recipients employing 15 or more persons, ascertain whether a person has been designated to oversee civil rights compliance.

Ascertain from the grant agreement whether any of the programs contain prohibitions against discrimination on the basis of sex or religion.

Ascertain the number of complaints filed with federal, state and/or local agencies responsible for ensuring nondiscrimination in government programs during the fiscal year, the status of unresolved complaints or investigations, and the actions taken on resolved complaints or completed investigations.

Ascertain whether any of the programs contain prohibitions against discrimination in employment; for those programs (1) review the annual report filed with the Equal Employment Opportunity Commission (EEOC), if any, and (2) ascertain the number of complaints filed during the fiscal year, the status of unresolved complaints and investigations, and the actions taken on resolved complaints or completed investigations.

Determine whether facilities financed by grant funds that are required to be located in a nondiscriminatory manner are so located.

Obtain representation and/or attorney letters to determine if any civil rights suits have been adjudicated or are pending.

### 4. AMERICANS WITH DISABILITIES ACT OF 1990

Any Program or activity funded, in whole or in part, by State and/or Federal Funds is subject to the Americans with Disabilities Act of 1990. Title II of the Americans with Disabilities Act (ADA) provides that "no qualified individual with a disability shall, by reason of such disability, be excluded from participation in or be denied the benefits of the services, programs, or activities of a public entity, or be subjected to discrimination by such entity." 42 U.S.C., 12132 et. seq.

#### Suggested Audit Procedures

Determine if the Grantee is in compliance with the Americans with Disabilities Act of 1990.

5. DEBARMENT AND SUSPENSION

Federal Executive Order 12549 "Debarment and Suspension," and State Executive Order 34/1976 state that a grantee may not be eligible for an award funded by Department appropriations if the agency, its key employees or subgrantees have been debarred from Federal Procurement and Non-Procurement programs.

Suggested Audit Procedures

Verify that the grantee, its key employees or subgrantees have not been debarred from State or Federal Procurement and Non-Procurement Programs.

6. LOBBYING

Section 319 of Federal Public Law 101-121 prohibits recipients of contracts, grants and loans from using appropriated funds for lobbying the Executive or Legislative Branches of Government in connection with a specific contract, grant or loan. Section 319 also requires that each person who requests or receives a contract, grant, cooperative agreement, loan or a commitment to insure or guarantee a loan, must disclose lobbying activities.

Suggested Audit Procedures

Verify that funds have not been used for lobbying activities as stated in Section 1352 of Public Law 101-121.

Verify that the Standard Form-LLL, "Disclosure Form to Report Lobbying" was completed indicating to whom payments were made, how much money was involved and the type of work involved. Verify that the standard form was submitted to the Granting Agency to disclose activities pursuant to 31 U.S.C. 1352.

7. GRANTEE'S TERMS & CONDITIONS FOR ADMINISTRATION OF GRANTS

Administrative and financial requirements stated in this manual are applicable to all agencies, which receive grant funds from the Department.

Suggested Audit Procedures

Determine if the grantee is in compliance with laws, regulations and administrative and financial requirements and funds have been applied efficiently, economically and effectively.

8. FEDERAL FINANCIAL REPORTS

Most programs require the periodic submission of financial reports that fall within one or more of the following categories. The specific requirement for each grant program is presented in Attachment A of the Grant and the appropriate sub-part of the Terms and Conditions for the Administration of Grants for that program. The suggested audit procedures are provided below to facilitate the requirement for the auditor to comment on completeness and accuracy.

- a. Subpart R of the Terms and Conditions lists required financial reports that apply to most of the programs described in this document.
- b. Subpart F and G of the Terms and Conditions list cash management and payments requirements.

Suggested Audit Procedures

Review the procedures for preparing the financial reports and evaluate for adequacy.

Trace data to the supporting documentation, i.e., worksheets, ledgers, etc.

Review adjustments made to the general ledger amounts in the report affecting programs and evaluate for propriety.

9. LOCAL/STATE FIRE AND SAFETY CODES

Suggested Audit Procedures

Verify that the grantee's Local/State Fire and Safety Codes are in accordance to the uniform Fire safety Act, NJAC 518, related Statute NJSA 52, code 27-D-1-9-2.

10. PRO-CHILDREN ACT OF 1994 -ENVIRONMENTAL TOBACCO SMOKE

This act requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, early childhood development services, education or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan or loan guarantee. The law also applies to children's services that are provided in indoor facilities that are constructed, operated, or maintained with such federal funds. The law does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment service providers whose sole source of applicable Federal funds is Medicare or Medicaid; or facilities where WIC coupons are redeemed. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1,000 for each violation and/or the imposition of an administrative compliance order on the responsible entity. If applicable, the grantee is to sign a certification indicating that the agency/organization will comply with the requirements of the Act and will not allow smoking within any portion of any indoor facility used for the provision of services for children as defined by the Act.

Suggested Audit Procedures

Determine if the grantee is in compliance with the Pro-Children Act of 1994 and a certification has been signed and is on file in the agency's office.

**SPECIFIC STATE REQUIREMENTS**

**I. PROGRAM OBJECTIVES**

The objective of the Hemophilia Services Program is to provide Comprehensive Hemophilia Care and Treatment to residents of New Jersey.

Refer to Attachment C of each contractual agreement for additional specific objectives.

**II. PROGRAM PROCEDURES**

Program funds are distributed to agencies based on an Application of Health Service Grant completed annually.

**III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES**

**A. TYPES OF SERVICES ALLOWED OR UNALLOWED**

Compliance Requirement

Grant money may be expended for only those cost categories listed in individual grants. For Hemophilia care, these items are usually limited to salaries of Comprehensive Hemophilia Care Center personnel, other agency personnel, fringe benefits, medical supplies needed for diagnosis, care and treatment of hemophilia, equipment and approved medical/dental/psychological consultations and/or evaluations, educational programs, training programs and seminars.

Suggested Audit Procedures

- \* Review documentation related to Grant expenditures;
- \* Test expenditures and related records.

**B. ELIGIBILITY**

Compliance Requirement

Grants for Hemophilia services are awarded only to hospitals approved by N.J. Certificate of Need or are federally approved to receive federal funds (e.g., out of state Hospitals); other grants may be awarded to nonprofit agencies or groups active in hemophilia care and/or education.

Suggested Audit Procedures

- \* Compliance has been checked. Further audit for Certificate and/or federal approval is not required.

**C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING REQUIREMENTS**

None

**D. REPORTING REQUIREMENTS**

Compliance Requirement

The following reports must be submitted as specified in Attachment C:

Invoice

Report of Grant Expenditure

Grant Progress Report

New Jersey Regional Comprehensive Care Program Report (required from agencies providing direct care only)

Suggested Audit Procedures

- \* Review all forms for completeness;
- \* Test accuracy of records.

**E. SPECIAL TESTS AND PROVISIONS**

None



**New Jersey Department of Health and Senior Services**

**GRANT COMPLIANCE REQUIREMENTS**

Grant Title: Testing for Specific Hereditary Diseases

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Account Number: 100 046 4220 078

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**I. GENERAL STATE REQUIREMENTS**

The following administrative requirements are applicable to the various types of agencies, which receive grant funds from the Department of Health and Senior Services.

**A. COMPLIANCE REQUIREMENTS**

**1. POLITICAL ACTIVITY**

Grant funds cannot be used for partisan political activity of any kind by any person or organization involved in the administration of state or federally-assisted programs. Hatch Act (5 U.S.C. 1501-1508) and Intergovernmental Personnel Act of 1970 as amended by Title VI of Civil Service Reform Act (P.L. 95-454 Section 4728).

Suggested Audit Procedures

Test the expenditure and related records for indications of lobbying activities, publications, or other materials intended for influencing legislation or similar type costs.

Test the personnel and payroll records, and identify persons whose responsibilities or activities include political activity.

Test whether the above costs, if any exist, are charged directly or indirectly, to Grants.

**2. DAVIS-BACON ACT**

When required by the grant program legislation, all laborers and mechanics employed by contractors or subcontractors to work on construction projects must be paid wages not less than those established for the locality of the project by the Secretary of Labor.

(40 Stat. 1491, Mar 3, 1921, Chap. 411, 40 U.S.C. 276A-276A.5).

Suggested Audit Procedures

Identify the programs involving construction activities.

Review selected construction contracts and subcontracts and determine whether they contain provisions requiring the payment of "prevailing" wages.

Review the grantee's system for monitoring applicable contractors and subcontractors with respect to payment of prevailing wages and evaluate for adequacy.

Review the monitoring system for contracts for selected programs and determine whether there is adherence to the prescribed procedures.

For grantee's which have not developed a system, or whose system is not operating effectively:

- Obtain payroll lists from contractors and review wages paid.
- Determine whether wages paid conform to the prevailing wages.

3. CIVIL RIGHTS

No person shall, on the grounds of race, color, national origin, age, or handicap, be excluded from participation in or be subjected to discrimination in any program or activity funded, in whole or in part, by grant funds. Discrimination on the basis of sex or religion is also prohibited in some programs. (Age-42 U.S.C. 6101 et. seq.; Race-42 U.S.C. 2000d; Handicap-29 U.S.C. 794.)

Suggested Audit Procedures

Determine whether the grantee has announced a formal policy of nondiscrimination.

For recipients employing 15 or more persons, ascertain whether a person has been designated to oversee civil rights compliance.

Ascertain from the grant agreement whether any of the programs contain prohibitions against discrimination on the basis of sex or religion.

Ascertain the number of complaints filed with federal, state and/or local agencies responsible for ensuring nondiscrimination in government programs during the fiscal year, the status of unresolved complaints or investigations, and the actions taken on resolved complaints or completed investigations.

Ascertain whether any of the programs contain prohibitions against discrimination in employment; for those programs (1) review the annual report filed with the Equal Employment Opportunity Commission (EEOC), if any, and (2) ascertain the number of complaints filed during the fiscal year, the status of unresolved complaints and investigations, and the actions taken on resolved complaints or completed investigations.

Determine whether facilities financed by grant funds that are required to be located in a nondiscriminatory manner are so located.

Obtain representation and/or attorney letters to determine if any civil rights suits have been adjudicated or are pending.

4. AMERICANS WITH DISABILITIES ACT OF 1990

Any Program or activity funded, in whole or in part, by State and/or Federal Funds is subject to the Americans with Disabilities Act of 1990. Title II of the Americans with Disabilities Act (ADA) provides that "no qualified individual with a disability shall, by reason of such disability, be excluded from participation in or be denied the benefits of the services, programs, or activities of a public entity, or be subjected to discrimination by such entity." 42 U.S.C., 12132 et. seq.

Suggested Audit Procedures

Determine if the Grantee is in compliance with the Americans with Disabilities Act of 1990.

5. DEBARMENT AND SUSPENSION

Federal Executive Order 12549 "Debarment and Suspension," and State Executive Order 34/1976 state that a grantee may not be eligible for an award funded by Department appropriations if the agency, its key employees or subgrantees have been debarred from Federal Procurement and Non-Procurement programs.

Suggested Audit Procedures

Verify that the grantee, its key employees or subgrantees have not been debarred from State or Federal Procurement and Non-Procurement Programs.

6. LOBBYING

Section 319 of Federal Public Law 101-121 prohibits recipients of contracts, grants and loans from using appropriated funds for lobbying the Executive or Legislative Branches of Government in connection with a specific contract, grant or loan. Section 319 also requires that each person who requests or receives a contract, grant, cooperative agreement, loan or a commitment to insure or guarantee a loan" must disclose lobbying activities.

Suggested Audit Procedures

Verify that funds have not been used for lobbying activities as stated in Section 1352 of Public Law 101-121.

Verify that the Standard Form-LLL, "Disclosure Form to Report Lobbying" was completed indicating to whom payments were made, how much money was involved and the type of work involved. Verify that the standard form was submitted to the Granting Agency to disclose activities pursuant to 31 U.S.C. 1352.

7. GRANTEE'S TERMS & CONDITIONS FOR ADMINISTRATION OF GRANTS

Administrative and financial requirements stated in this manual are applicable to all agencies, which receive grant funds from the Department.

Suggested Audit Procedures

Determine if the grantee is in compliance with laws, regulations and administrative and financial requirements and funds have been applied efficiently, economically and effectively.

8. FEDERAL FINANCIAL REPORTS

Most programs require the periodic submission of financial reports that fall within one or more of the following categories. The specific requirement for each grant program is presented in Attachment A of the Grant and the appropriate sub-part of the Terms and Conditions for the Administration of Grants for that program. The suggested audit procedures are provided below to facilitate the requirement for the auditor to comment on completeness and accuracy.

- a. Subpart R of the Terms and Conditions lists required financial reports that apply to most of the programs described in this document.
- b. Subpart F and G of the Terms and Conditions list cash management and payments requirements.

Suggested Audit Procedures

Review the procedures for preparing the financial reports and evaluate for adequacy.

Trace data to the supporting documentation, i.e., worksheets, ledgers, etc.

Review adjustments made to the general ledger amounts in the report affecting programs and evaluate for propriety.

9. LOCAL/STATE FIRE AND SAFETY CODES

Suggested Audit Procedures

Verify that the grantee's Local/State Fire and Safety Codes are in accordance to the uniform Fire Safety Act, NJAC 518, related statute NJSA 52, code 27-D-1-9-2.

10. PRO-CHILDREN ACT OF 1994 - ENVIRONMENTAL TOBACCO SMOKE

This act requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, early childhood development services, education or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan or loan guarantee. The law also applies to children's services that are provided in indoor facilities that are constructed, operated, or maintained with such federal funds. The law does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment service providers whose sole source of applicable Federal funds is Medicare or Medicaid; or facilities where WIC coupons are redeemed. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1,000 for each violation and/or the imposition of an administrative compliance order on the responsible entity. If applicable, the grantee is to sign a certification indicating that the agency/organization will comply with the requirements of the Act and will not allow smoking within any portion of any indoor facility used for the provision of services for children as defined by the Act.

Suggested Audit Procedures

Determine if the grantee is in compliance with the Pro-Children Act of 1994 and a certification has been signed and is on file in the agency's office.

**SPECIFIC STATE REQUIREMENTS**

**I. PROGRAM OBJECTIVES**

The objective of the of the Testing for Specific Hereditary Diseases Program is to assure that genetic testing and counseling services are accessible to all families in order to knowingly plan for themselves and families.

**II. PROGRAM PROCEDURES**

Through a Request For Proposals (RFP) procedure, Applications for Health Service Contracts are received by the program.

Proposals are reviewed for ability to meet Program objectives, provide quality services as defined by Program standards, and commitment to serve medically indigent families.

Health Services Contracts are awarded.

### **III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES**

#### **A. TYPES OF SERVICES ALLOWED OR UNALLOWED**

##### Compliance Requirement

Agencies must:

Provide services stated in contractual agreement.

Expend funds as stated in contractual agreement.

##### Suggested Audit Procedures

- \* Review grant agreement;
- \* Test expenditures and related records.

#### **B. ELIGIBILITY**

##### Compliance Requirement

Services must be available to any family requesting services and a sliding fee scale applied to those families without third party resources or private means to assume the total cost.

##### Suggested Audit Procedures

- \* Test records.

#### **C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING REQUIREMENTS**

None

#### **D. REPORTING REQUIREMENTS**

##### Compliance Requirement

Program Reports must be submitted according to time lines stated in contract.

Expenditure Reports must be submitted according to contractual agreement.

##### Suggested Audit Procedures

- \* Determine that reports were submitted on a timely basis;
- \* Review and test accuracy of reports.

**E. SPECIAL TESTS AND PROVISIONS**

None

**New Jersey Department of Health and Senior Services**

**GRANT COMPLIANCE REQUIREMENTS**

Grant Title: Special Child Health Services for Handicapped Children (Including Case Management)

Account Number 100 046 4220 079

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**I. GENERAL STATE REQUIREMENTS**

The following administrative requirements are applicable to the various types of agencies, which receive grant funds from the Department of Health and Senior Services.

**A. COMPLIANCE REQUIREMENTS**

**1. POLITICAL ACTIVITY**

Grant funds cannot be used for partisan political activity of any kind by any person or organization involved in the administration of state or federally-assisted programs. Hatch Act (5 U.S.C. 1501-1508) and Intergovernmental Personnel Act of 1970 as amended by Title VI of Civil Service Reform Act (P.L. 95-454 Section 4728).

Suggested Audit Procedures

Test the expenditure and related records for indications of lobbying activities, publications, or other materials intended for influencing legislation or similar type costs.

Test the personnel and payroll records, and identify persons whose responsibilities or activities include political activity.

Test whether the above costs, if any exist, are charged directly or indirectly, to Grants.

**2. DAVIS-BACON ACT**

When required by the grant program legislation, all laborers and mechanics employed by contractors or subcontractors to work on construction projects must be paid wages not less than those established for the locality of the project by the Secretary of Labor.

(40 Stat. 1491, Mar 3, 1921, Chap. 411, 40 U.S.C. 276A-276A-5).

Suggested Audit Procedures

Identify the programs involving construction activities.

Review selected construction contracts and subcontracts and determine whether they contain provisions requiring the payment of "prevailing" wages.

Review the grantee's system for monitoring applicable contractors and subcontractors with respect to payment of prevailing wages and evaluate for adequacy.

Review the monitoring system for contracts for selected programs and determine whether there is adherence to the prescribed procedures.

For grantee's which have not developed a system, or whose system is not operating effectively:

- Obtain payroll lists from contractors and review wages paid.
- Determine whether wages paid conform to the prevailing wages.

3. CIVIL RIGHTS

No person shall, on the grounds of race, color, national origin, age, or handicap, be excluded from participation in or be subjected to discrimination in any program or activity funded, in whole or in part, by grant funds. Discrimination on the basis of sex or religion is also prohibited in some programs. (Age-42 U.S.C. 6101 et. seq.; Race-42 U.S.C. 2000d; Handicap-29 U.S.C. 794.)

Suggested Audit Procedures

Determine whether the grantee has announced a formal policy of nondiscrimination.

For recipients employing 15 or more persons, ascertain whether a person has been designated to oversee civil rights compliance.

Ascertain from the grant agreement whether any of the programs contain prohibitions against discrimination on the basis of sex or religion.

Ascertain the number of complaints filed with federal, state and/or local agencies responsible for ensuring nondiscrimination in government programs during the fiscal year, the status of unresolved complaints or investigations, and the actions taken on resolved complaints or completed investigations.

Ascertain whether any of the programs contain prohibitions against discrimination in employment; for those programs (1) review the annual report filed with the Equal Employment Opportunity Commission (EEOC), if any, and (2) ascertain the number of complaints filed during the fiscal year, the status of unresolved complaints and investigations, and the actions taken on resolved complaints or completed investigations.

Determine whether facilities financed by grant funds that are required to be located in a nondiscriminatory manner are so located.

Obtain representation and/or attorney letters to determine if any civil rights suits have been adjudicated or are pending.

4. AMERICANS WITH DISABILITIES ACT OF 1990

Any Program or activity funded, in whole or in part, by State and/or Federal Funds is subject to the Americans with Disabilities Act of 1990. Title II of the Americans with Disabilities Act (ADA) provides that "no qualified individual with a disability shall, by reason of such disability, be excluded from participation in or be denied the benefits of the services, programs, or activities of a public entity, or be subjected to discrimination by such entity." 42 U.S.C., 12132 et. seq.

Suggested Audit Procedures

Determine if the Grantee is in compliance with the Americans with Disabilities Act of 1990.



5. DEBARMENT AND SUSPENSION

Federal Executive Order 12549 "Debarment and Suspension," and State Executive Order 34/1976 state that a grantee may not be eligible for an award funded by Department appropriations if the agency, its key employees or subgrantees have been debarred from Federal Procurement and Non-Procurement programs.

Suggested Audit Procedures

Verify that the grantee, its key employees or subgrantees have not been debarred from State or Federal Procurement and Non-Procurement Programs.

6. LOBBYING

Section 319 of Federal Public Law 101-121 prohibits recipients of contracts, grants and loans from using appropriated funds for lobbying the Executive or Legislative Branches of Government in connection with a specific contract, grant or loan. Section 319 also requires that each person who requests or receives a contract, grant, cooperative agreement, loan or a commitment to insure or guarantee a loan, must disclose lobbying activities.

Suggested Audit Procedures

Verify that funds have not been used for lobbying activities as stated in Section 1352 of Public Law 101-121.

Verify that the Standard Form-LLL, "Disclosure Form to Report Lobbying" was completed indicating to whom payments were made, how much money was involved and the type of work involved. Verify that the standard form was submitted to the Granting Agency to disclose activities pursuant to 31 U.S.C. 1352.

7. GRANTEE'S TERMS & CONDITIONS FOR ADMINISTRATION OF GRANTS

Administrative and financial requirements stated in this manual are applicable to all agencies, which receive grant funds from the Department.

Suggested Audit Procedures

Determine if the grantee is in compliance with laws, regulations and administrative and financial requirements and funds have been applied efficiently, economically and effectively.

8. FEDERAL FINANCIAL REPORTS

Most programs require the periodic submission of financial reports that fall within one or more of the following categories. The specific requirement for each grant program is presented in Attachment A of the Grant and the appropriate sub-part of the Terms and Conditions for the Administration of Grants for that program. The suggested audit procedures are provided below to facilitate the requirement for the auditor to comment on completeness and accuracy.

- a. Subpart R of the Terms and Conditions lists required financial reports that apply to most of the programs described in this document.
- b. Subpart F and G of the Terms and Conditions list cash management and payments requirements.

Suggested Audit Procedures

Review the procedures for preparing the financial reports and evaluate for adequacy.

Trace data to the supporting documentation, i.e., worksheets, ledgers, etc.

Review adjustments made to the general ledger amounts in the report affecting programs and evaluate for propriety.

9. LOCAL/STATE FIRE AND SAFETY CODES

Suggested Audit Procedures

Verify that the grantee's Local/State Fire and Safety Codes are in accordance to the uniform Fire Safety Act, NJAC 518, related statute NJSA 52, code 27-D-1-9-2.

10. PRO-CHILDREN ACT OF 1994 - ENVIRONMENTAL TOBACCO SMOKE

This act requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, early childhood development services, education or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan or loan guarantee. The law also applies to children's services that are provided in indoor facilities that are constructed, operated, or maintained with such federal funds. The law does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment service providers whose sole source of applicable Federal funds is Medicare or Medicaid; or facilities where WIC coupons are redeemed. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1,000 for each violation and/or the imposition of an administrative compliance order on the responsible entity. If applicable, the grantee is to sign a certification indicating that the agency/organization will comply with the requirements of the Act and will not allow smoking within any portion of any indoor facility used for the provision of services for children as defined by the Act.

Suggested Audit Procedures

Determine if the grantee is in compliance with the Pro-Children Act of 1994 and a certification has been signed and is on file in the agency's office.

**SPECIFIC STATE REQUIREMENTS**

**I. PROGRAM OBJECTIVES**

The objective of the Special Child Health Services for Handicapped Children Program is to provide funds to:

Support a network of specialized health care services for all children who are handicapped, at risk for handicaps or suspected of being handicapped, from birth to twenty-one (21) years of age.

Assure that specialized health care services are accessible to all handicapped children regardless of socioeconomic status.

Assure provision of comprehensive and coordinated services to handicapped children through case management services.

## **II. PROGRAM PROCEDURES**

The Program utilizes both competitive and non-competitive Request for Proposals (RFPs) techniques to solicit applications for Health Service Contracts for most services.

Proposals are reviewed by staff for ability to meet Program objectives, provision of quality services as defined by Program standards and commitment to serve medically indigent families.

Health Service Contracts are awarded to agencies.

Certain program services are financed through a fee-for-service basis. A request for service for an individual child is reviewed by Program staff and authorization issued if appropriate and funds available.

## **III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES**

### **A. TYPES OF SERVICES ALLOWED OR UNALLOWED**

#### Compliance Requirement

Agencies must:

Provide services stated in contractual agreement.

Expend funds as stated in contractual agreement.

#### Suggested Audit Procedures

- \* Review contractual agreement;
- \* Test expenditures and related records.

### **B. ELIGIBILITY**

#### Compliance Requirement

Services must be provided to persons from birth to twenty-one (21) years of age who have, are at risk for, or are suspected of having a handicapping condition or chronic illness.

The Special Child Health Services' sliding fee scale is utilized for families without third party resources and private means to assume the total cost of care. Service cannot be denied because of a family's inability to pay.

#### Suggested Audit Procedures

- \* Review and test record, particularly documentation of use of the sliding fee scale and assurance of access to care despite inability to pay.

### **C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING REQUIREMENTS**

None

#### **D. REPORTING REQUIREMENTS**

##### Compliance Requirement

Progress Reports must be submitted according to time lines stated in contract.

Expenditure Reports must be submitted according to contractual agreement.

##### Suggested Audit Procedures

- \* Determine that reports were submitted on a timely basis;
- \* Review and test for accuracy of reports.

#### **E. SPECIAL TESTS AND PROVISIONS**

None

### **SPECIFIC STATE REQUIREMENTS**

#### **I. PROGRAM OBJECTIVES**

The objective of the Case Management Program (Statute -Title 9:13-1-4,6, (2) Title 26:2-60, (3) Title 26:2-61, (4) Title 26:2-93-100 -C. 19 of P.L. 1977) is to:

Support a network of specialized health care services for all children who are handicapped, at risk for handicaps or suspected of being handicapped, from birth to twenty-one (21) years of age.

Assure that specialized health care services are accessible to all handicapped children regardless of socioeconomic status.

Assure provision of comprehensive and coordinated services to handicapped children through case management services.

Refer to Attachment C of each grant award for additional specific objectives.

#### **II. PROGRAM PROCEDURES**

The Program utilizes both competitive and non-competitive Request for Proposals (RFPs) techniques to solicit applications for Health Service Contracts for most services.

Proposals are reviewed by staff for ability to meet Program objectives, provision of quality services as defined by Program standards and commitment to serve medically indigent families.

Health Service Contracts are awarded to agencies.

Certain program services are financed through a fee-for-service basis. A request for service for an individual child is reviewed by Program staff and authorization issued if appropriate and funds available.

**III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES**

**A. TYPES OF SERVICES ALLOWED OR UNALLOWED**

Compliance Requirement

Agencies must:

Provide services stated in contractual agreement.

Expend funds as stated in contractual agreement.

Suggested Audit Procedures

- \* Review contractual agreement;
- \* Test expenditures and related records.

**B. ELIGIBILITY**

Compliance Requirement

Services must be provided to persons from birth to twenty-one (21) years of age who have, are at risk for, or are suspected of having a handicapping condition or chronic illness.

The Special Child Health Services' sliding fee scale is utilized for families without third party resources and private means to assume the total cost of care. Service cannot be denied because of a family's inability to pay.

Suggested Audit Procedures

- \* Review and test record, particularly documentation of use of the sliding fee scale and assurance of access to care despite inability to pay.

**C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING REQUIREMENTS**

None

**D. REPORTING REQUIREMENTS**

Compliance Requirement

Progress Reports must be submitted according to time lines stated in contract.

Expenditure Reports must be submitted according to contractual agreement.

Suggested Audit Procedures

- \* Determine that reports were submitted on a timely basis;
- \* Review and test for accuracy of reports.

**E. SPECIAL TESTS AND PROVISIONS**

None

**New Jersey Department of Health and Senior Services**

**GRANT COMPLIANCE REQUIREMENTS**

Grant Title: Special Child Health Services for Handicapped Children (Including Cleft Palate Programs)

Account Number: 100 046 4220 079  
100 046 4220 098

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**I. GENERAL STATE REQUIREMENTS**

The following administrative requirements are applicable to the various types of agencies, which receive grant funds from the Department of Health and Senior Services.

**A. COMPLIANCE REOUREMENTS**

**1. POLTICAL ACTIVITY**

Grant funds cannot be used for partisan political activity of any kind by any person or organization involved in the administration of state or federally assisted programs. Hatch Act (5 U.S.C. 1501-1508) and Intergovernmental Personnel Act of 1970 as amended by Title VI of Civil Service Reform Act (P.L. 95-454 Section 4728).

Suggested Audit Procedures

Test the expenditure and related records for indications of lobbying activities, publications, or other materials intended for influencing legislation or similar type costs.

Test the personnel and payroll records, and identify persons whose responsibilities or activities include political activity.

Test whether the above costs, if any exist, are charged directly or indirectly, to Grants.

**2. DAVIS-BACON ACT**

When required by the grant program legislation, all laborers and mechanics employed by contractors or subcontractors to work on construction projects must be paid wages not less than those established for the locality of the project by the Secretary of Labor.

(40 Stat. 1491, Mar 3, 1921, Chap. 411, 40 U.S.C. 276A-276A-5).

Suggested Audit Procedures

Identify the programs involving construction activities.

Review selected construction contracts and subcontracts and determine whether they contain provisions requiring the payment of "prevailing" wages.

Review the grantee's system for monitoring applicable contractors and subcontractors with respect to payment of prevailing wages and evaluate for adequacy.

Review the monitoring system for contracts for selected programs and determine whether there is adherence to the prescribed procedures.

For grantee's which have not developed a system, or whose system is not operating effectively:

- Obtain payroll lists from contractors and review wages paid.
- Determine whether wages paid conform to the prevailing wages.

### 3. CIVIL RIGHTS

No person shall, on the grounds of race, color, national origin, age, or handicap, be excluded from participation in or be subjected to discrimination in any program or activity funded, in whole or in part, by grant funds. Discrimination on the basis of sex or religion is also prohibited in some programs. (Age-42 U.S.C. 6101 et. seq.; Race-42 U.S.C. 2000d; Handicap-29 U.S.C. 794.)

#### Suggested Audit Procedures

Determine whether the grantee has announced a formal policy of nondiscrimination.

For recipients employing 15 or more persons, ascertain whether a person has been designated to oversee civil rights compliance.

Ascertain from the grant agreement whether any of the programs contain prohibitions against discrimination on the basis of sex or religion.

Ascertain the number of complaints filed with federal, state and/or local agencies responsible for ensuring nondiscrimination in government programs during the fiscal year, the status of unresolved complaints or investigations, and the actions taken on resolved complaints or completed investigations.

Ascertain whether any of the programs contain prohibitions against discrimination in employment; for those programs (1) review the annual report filed with the Equal Employment Opportunity Commission (EEOC), if any, and (2) ascertain the number of complaints filed during the fiscal year, the status of unresolved complaints and investigations, and the actions taken on resolved complaints or completed investigations.

Determine whether facilities financed by grant funds that are required to be located in a nondiscriminatory manner are so located.

Obtain representation and/or attorney letters to determine if any civil rights suits have been adjudicated or are pending.

### 4. AMERICANS WITH DISABILITIES ACT OF 1990

Any Program or activity funded, in whole or in part, by State and/or Federal Funds is subject to the Americans with Disabilities Act of 1990. Title II of the Americans with Disabilities Act (ADA) provides that "no qualified individual with a disability shall, by reason of such disability, be excluded from participation in or be denied the benefits of the services, programs, or activities of a public entity, or be subjected to discrimination by such entity." 42 U.S.C., 12132 et. seq.

#### Suggested Audit Procedures

Determine if the Grantee is in compliance with the Americans with Disabilities Act of 1990.



5. DEBARMENT AND SUSPENSION

Federal Executive Order 12549 "Debarment and Suspension," and State Executive Order 34/1976 state that a grantee may not be eligible for an award funded by Department appropriations if the agency, its key employees or subgrantees have been debarred from Federal Procurement and Non-Procurement programs.

Suggested Audit Procedures

Verify that the grantee, its key employees or subgrantees have not been debarred from State or Federal Procurement and Non-Procurement Programs.

6. LOBBYING

Section 319 of Federal Public Law 101-121 prohibits recipients of contracts, grants and loans from using appropriated funds for lobbying the Executive or Legislative Branches of Government in connection with a specific contract, grant or loan. Section 319 also requires that each person who requests or receives a contract, grant, cooperative agreement, loan or a commitment to insure or guarantee a loan, must disclose lobbying activities.

Suggested Audit Procedures

Verify that funds have not been used for lobbying activities as stated in Section 1352 of Public Law 101-121.

Verify that the Standard Form-LLL, "Disclosure Form to Report Lobbying" was completed indicating to whom payments were made, how much money was involved and the type of work involved. Verify that the standard form was submitted to the Granting Agency to disclose activities pursuant to 31 U.S.C. 1352.

7. GRANTEE'S TERMS & CONDITIONS FOR ADMINISTRATION OF GRANTS

Administrative and financial requirements stated in this manual are applicable to all agencies, which receive grant funds from the Department.

Suggested Audit Procedures

Determine if the grantee is in compliance with laws, regulations and administrative and financial requirements and funds have been applied efficiently, economically and effectively.

8. FEDERAL FINANCIAL REPORTS

Most programs require the periodic submission of financial reports that fall within one or more of the following categories. The specific requirement for each grant program is presented in Attachment A of the Grant and the appropriate sub-part of the Terms and Conditions for the Administration of Grants for that program. The suggested audit procedures are provided below to facilitate the requirement for the auditor to comment on completeness and accuracy.

- a. Subpart R of the Terms and Conditions lists required financial reports that apply to most of the programs described in this document.
- b. Subpart F and G of the Terms and Conditions list cash management and payments requirements.

Suggested Audit Procedures

Review the procedures for preparing the financial reports and evaluate for adequacy.

Trace data to the supporting documentation, i.e., worksheets, ledgers, etc.

Review adjustments made to the general ledger amounts in the report affecting programs and evaluate for propriety.

9. LOCAL/STATE FIRE AND SAFETY CODES

Suggested Audit Procedures

Verify that the grantee's Local/State Fire and Safety Codes are in accordance to the uniform Fire Safety Act, NJAC 518, related statute NJSA 52, code 27-D-1-9-2.

10. PRO-CHILDREN ACT OF 1994 -ENVIRONMENTAL TOBACCO SMOKE

This act requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, early childhood development services, education or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan or loan guarantee. The law also applies to children's services that are provided in indoor facilities that are constructed, operated, or maintained with such federal funds. The law does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment service providers whose sole source of applicable Federal funds is Medicare or Medicaid; or facilities where WIC coupons are redeemed. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1,000 for each violation and/or the imposition of an administrative compliance order on the responsible entity. If applicable, the grantee is to sign a certification indicating that the agency/organization will comply with the requirements of the Act and will not allow smoking within any portion of any indoor facility used for the provision of services for children as defined by the Act.

Suggested Audit Procedures

Determine if the grantee is in compliance with the Pro-Children Act of 1994 and a certification has been signed and is on file in the agency's office.

**SPECIFIC STATE REQUIREMENTS**

**I. PROGRAM OBJECTIVES**

The objective of the Cleft Palate Program (Statute -Title 9:13-1-4,6, (2) Title 26:2-60, (3) Title 26:2-61, (4) Title 26:2-93-100 - C. 19 of P.L. 1977) is to:

Support a network of specialized health care services for all children who are handicapped, at risk for handicaps or suspected of being handicapped, from birth to twenty-one (21) years of age.

Assure that specialized health care services are accessible to all handicapped children regardless of socioeconomic status.

Assure the provision of comprehensive and coordinated services to handicapped children through case management services.

Refer to Attachment C of each grant award for additional specific objectives.

## **II. PROGRAM PROCEDURES**

The Program utilizes both competitive and non-competitive Request for Proposals (RFPs) techniques to solicit applications for Health Service Contracts for most services.

Proposals are reviewed by staff for ability to meet Program objectives, provision of quality services as defined by Program standards and commitment to serve medically indigent families.

Health Service Contracts are awarded to agencies.

Certain program services are financed through a fee-for-service basis. A request for service for an individual child is reviewed by Program staff and authorization issued if appropriate and funds available.

## **III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES**

### **A. TYPES OF SERVICES ALLOWED OR UNALLOWED**

#### Compliance Requirement

Agencies must:

Provide services stated in contractual agreement.

Expend funds as stated in contractual agreement.

#### Suggested Audit Procedures

- \* Review contractual agreement;
- \* Test expenditures and related records.

### **B. ELIGIBILITY Compliance Requirement**

Services must be provided to persons from birth to twenty-one (21) years of age who have, are at risk for, or are suspected of having a handicapping condition or chronic illness.

The Special Child Health Services' sliding fee scale is utilized for families without third party resources and private means to assume the total cost of care. Service cannot be denied because of a family's inability to pay.

#### Suggested Audit Procedures

- \* Review and test record, particularly documentation of use of the sliding fee scale and assurance of access to care despite inability to pay.

### **C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING REQUIREMENTS**

None

**D. REPORTING REQUIREMENTS**

Compliance Requirement

Progress Reports must be submitted according to time lines stated in contract.

Expenditure Reports must be submitted according to contractual agreement.

Suggested Audit Procedures

- \* Determine that reports were submitted on a timely basis;
- \* Review and test for accuracy of reports.

**E. SPECIAL TESTS AND PROVISIONS**

None

**New Jersey Department of Health and Senior Services**

**GRANT COMPLIANCE REQUIREMENTS**

Grant Title: Chronic Renal Disease

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Account Number: 100 046 4220 080

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**I. GENERAL STATE REQUIREMENTS**

The following administrative requirements are applicable to the various types of agencies, which receive grant funds from the Department of Health and Senior Services.

**A. COMPLIANCE REOUIREMENTS**

**1. POLITICAL ACTIVITY**

Grant funds cannot be used for partisan political activity of any kind by any person or organization involved in the administration of state or federally-assisted programs. Hatch Act (5 U.S.C. 1501-1508) and Intergovernmental Personnel Act of 1970 as amended by Title VI of Civil Service Reform Act (P.L. 95-454 Section 4728).

Suggested Audit Procedures

Test the expenditure and related records for indications of lobbying activities, publications, or other materials intended for influencing legislation or similar type costs.

Test the personnel and payroll records, and identify persons whose responsibilities or activities include political activity.

Test whether the above costs, if any exist, are charged directly or indirectly, to Grants.

**2. DAVIS-BACON ACT**

When required by the grant program legislation, all laborers and mechanics employed by contractors or subcontractors to work on construction projects must be paid wages not less than those established for the locality of the project by the Secretary of Labor.

(40 Stat. 1491, Mar 3, 1921, Chap. 411, 40 U.S.C. 276A-276A-5).

Suggested Audit Procedures

Identify the programs involving construction activities.

Review selected construction contracts and subcontracts and determine whether they contain provisions requiring the payment of "prevailing" wages.

Review the grantee's system for monitoring applicable contractors and subcontractors with respect to payment of prevailing wages and evaluate for adequacy.

Review the monitoring system for contracts for selected programs and determine whether there is adherence to the prescribed procedures.

For grantee's which have not developed a system, or whose system is not operating effectively:

- Obtain payroll lists from contractors and review wages paid.
- Determine whether wages paid conform to the prevailing wages.

### 3. CIVIL RIGHTS

No person shall, on the grounds of race, color, national origin, age, or handicap, be excluded from participation in or be subjected to discrimination in any program or activity funded, in whole or in part, by grant funds. Discrimination on the basis of sex or religion is also prohibited in some programs. (Age-42 U.S.C. 6101 et. seq.; Race-42 U.S.C. 2000d; Handicap-29 U.S.C. 794.)

#### Suggested Audit Procedures

Determine whether the grantee has announced a formal policy of nondiscrimination.

For recipients employing 15 or more persons, ascertain whether a person has been designated to oversee civil rights compliance.

Ascertain from the grant agreement whether any of the programs contain prohibitions against discrimination on the basis of sex or religion.

Ascertain the number of complaints filed with federal, state and/or local agencies responsible for ensuring nondiscrimination in government programs during the fiscal year, the status of unresolved complaints or investigations, and the actions taken on resolved complaints or completed investigations.

Ascertain whether any of the programs contain prohibitions against discrimination in employment; for those programs (1) review the annual report filed with the Equal Employment Opportunity Commission (EEOC), if any, and (2) ascertain the number of complaints filed during the fiscal year, the status of unresolved complaints and investigations, and the actions taken on resolved complaints or completed investigations.

Determine whether facilities financed by grant funds that are required to be located in a nondiscriminatory manner are so located.

Obtain representation and/or attorney letters to determine if any civil rights suits have been adjudicated or are pending.

### 4. AMERICANS WITH DISABILITIES ACT OF 1990

Any Program or activity funded, in whole or in part, by State and/or Federal Funds is subject to the Americans with Disabilities Act of 1990. Title II of the Americans with Disabilities Act (AD A) provides that "no qualified individual with a disability shall, by reason of such disability, be excluded from participation in or be denied the benefits of the services, programs, or activities of a public entity, or be subjected to discrimination by such entity." 42 U.S.C., 12132 et. seq.

#### Suggested Audit Procedures

Determine if the Grantee is in compliance with the Americans with Disabilities Act of 1990.

5. DEBARMENT AND SUSPENSION

Federal Executive Order 12549 "Debarment and Suspension," and State Executive Order 34/1976 state that a grantee may not be eligible for an award funded by Department appropriations if the agency, its key employees or subgrantees have been debarred from Federal Procurement and Non-Procurement programs.

Suggested Audit Procedures

Verify that the grantee, its key employees or subgrantees have not been debarred from State or Federal Procurement and Non-Procurement Programs.

6. LOBBYING

Section 319 of Federal Public Law 101-121 prohibits recipients of contracts, grants and loans from using appropriated funds for lobbying the Executive or Legislative Branches of Government in connection with a specific contract, grant or loan. Section 319 also requires that each person who requests or receives a contract, grant, cooperative agreement, loan or a commitment to insure or guarantee a loan, must disclose lobbying activities.

Suggested Audit Procedures

Verify that funds have not been used for lobbying activities as stated in Section 1352 of Public Law 101-121.

Verify that the Standard Form-LLL, "Disclosure Form to Report Lobbying" was completed indicating to whom payments were made, how much money was involved and the type of work involved. Verify that the standard form was submitted to the Granting Agency to disclose activities pursuant to 31 U.S.C. 1352.

7. GRANTEE'S TERMS & CONDITIONS FOR ADMINISTRATION OF GRANTS

Administrative and financial requirements stated in this manual are applicable to all agencies, which receive grant funds from the Department.

Suggested Audit Procedures

Determine if the grantee is in compliance with laws, regulations and administrative and financial requirements and funds have been applied efficiently, economically and effectively.

8. FEDERAL FINANCIAL REPORTS

Most programs require the periodic submission of financial reports that fall within one or more of the following categories. The specific requirement for each grant program is presented in Attachment A of the Grant and the appropriate sub-part of the Terms and Conditions for the Administration of Grants for that program. The suggested audit procedures are provided below to facilitate the requirement for the auditor to comment on completeness and accuracy.

- a. Subpart R of the Terms and Conditions lists required financial reports that apply to most of the programs described in this document.
- b. Subpart F and G of the Terms and Conditions list cash management and payments requirements.

Suggested Audit Procedures

Review the procedures for preparing the financial reports and evaluate for adequacy.

Trace data to the supporting documentation, i.e., worksheets, ledgers, etc.

Review adjustments made to the general ledger amounts in the report affecting programs and evaluate for propriety.

9. LOCAL/STATE FIRE AND SAFETY CODES

Suggested Audit Procedures

Verify that the grantee's Local/State Fire and Safety Codes are in accordance to the uniform Fire Safety Act, NJAC 518, related statute NJSA 52, code 27-D-1-9-2.

10. PRO-CHILDREN ACT OF 1994 -ENVIRONMENTAL TOBACCO SMOKE

This act requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, early childhood development services, education or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan or loan guarantee. The law also applies to children's services that are provided in indoor facilities that are constructed, operated, or maintained with such federal funds. The law does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment service providers whose sole source of applicable Federal funds is Medicare or Medicaid; or facilities where WIC coupons are redeemed. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1,000 for each violation and/or the imposition of an administrative compliance order on the responsible entity. If applicable, the grantee is to sign a certification indicating that the agency/organization will comply with the requirements of the Act and will not allow smoking within any portion of any indoor facility used for the provision of services for children as defined by the Act.

Suggested Audit Procedures

Determine if the grantee is in compliance with the Pro-Children Act of 1994 and a certification has been signed and is on file in the agency's office.

**SPECIFIC STATE REQUIREMENTS**

**I. PROGRAM OBJECTIVES**

The objective of the Chronic Renal Disease Program is to develop and expand programs for the care and treatment of persons with chronic renal disease, to include programs for prevention, to extend financial assistance to persons with renal disease, and to carry on educational programs for professionals and the general public.

**II. PROGRAM PROCEDURES**

Program funds are distributed to agencies based on an Application of Health Service Grant submitted annually.



### III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

#### A. TYPES OF SERVICES ALLOWED OR UNALLOWED

##### Compliance Requirement

Moneys may be expended for those services approved in the grant and specific in Attachment C of each grant. When a grant is awarded for patient service only (as in grants to approved hospitals), moneys cannot be expended for other than: Co-insurance (20% of dialysis supplies) for home and/or center patients, take home drugs and/or home dialysis machine rentals.

##### Suggested Audit Procedures

- \* Review documentation related to grant expenditures;
- \* Test expenditures and related records.

#### B. ELIGIBILITY

##### Compliance Requirement

Grants for Renal Service Contracts are awarded only to those hospitals, which are approved by N.J. Certificate of Need and to those already established nonprofit agencies, organizations or groups active in kidney disease services, education, or prevention, such as the New Jersey Renal Network Council, Inc.

##### Suggested Audit Procedures

- \* Compliance has been checked by the Department. Further audit not required for grants being renewed to New Jersey Dialysis hospitals;
- \* Audits may be required for those agencies receiving initial or new grants.

#### C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING REQUIREMENTS

None

#### D. REPORTING REQUIREMENTS

##### Compliance Requirement

The following reports must be submitted as specified in Attachment C:

Invoices

Report of Grant Expenditures

Grant Progress Report

ESRD Facility Survey Form (not required for agencies not providing direct patient service)

Suggested Audit Procedures

- \* Review forms for completeness;
- \* Test accuracy of reports.

**E. SPECIAL TESTS AND PROVISIONS**

None

**New Jersey Department of Health and Senior Services**

**GRANT COMPLIANCE REQUIREMENTS**

Grant Title: Pharmaceutical Services for Adults with Cystic Fibrosis

Account Number: 100 046 4220 081

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**I. GENERAL STATE REQUIREMENTS**

The following administrative requirements are applicable to the various types of agencies, which receive grant funds from the Department of Health and Senior Services.

**A. COMPLIANCE REOUIREMENTS**

**1. POLITICAL ACTIVITY**

Grant funds cannot be used for partisan political activity of any kind by any person or organization involved in the administration of state or federally-assisted programs. Hatch Act (5 U.S.C. 1501-1508) and Intergovernmental Personnel Act of 1970 as amended by Title VI of Civil Service Reform Act (P.L. 95-454 Section 4728).

Suggested Audit Procedures

Test the expenditure and related records for indications of lobbying activities, publications, or other materials intended for influencing legislation or similar type costs.

Test the personnel and payroll records, and identify persons whose responsibilities or activities include political activity.

Test whether the above costs, if any exist, are charged directly or indirectly, to Grants.

**2. DAVIS-BACON ACT**

When required by the grant program legislation, all laborers and mechanics employed by contractors or subcontractors to work on construction projects must be paid wages not less than those established for the locality of the project by the Secretary of Labor.

(40 Stat. 1491, Mar 3, 1921, Chap. 411, 40 U.S.C. 276A-276A-5).

Suggested Audit Procedures

Identify the programs involving construction activities.

Review selected construction contracts and subcontracts and determine whether they contain provisions requiring the payment of "prevailing" wages.

Review the grantee's system for monitoring applicable contractors and subcontractors with respect to payment of prevailing wages and evaluate for adequacy.

Review the monitoring system for contracts for selected programs and determine whether there is adherence to the prescribed procedures.

For grantee's which have not developed a system, or whose system is not operating effectively:

- Obtain payroll lists from contractors and review wages paid.
- Determine whether wages paid conform to the prevailing wages.

3. CIVIL RIGHTS

No person shall, on the grounds of race, color, national origin, age, or handicap, be excluded from participation in or be subjected to discrimination in any program or activity funded, in whole or in part, by grant funds. Discrimination on the basis of sex or religion is also prohibited in some programs. (Age-42 U.S.C. 6101 et. seq.; Race-42 U.S.C. 2000d; Handicap-29 U.S.C. 794.)

Suggested Audit Procedures

Determine whether the grantee has announced a formal policy of nondiscrimination.

For recipients employing 15 or more persons, ascertain whether a person has been designated to oversee civil rights compliance.

Ascertain from the grant agreement whether any of the programs contain prohibitions against discrimination on the basis of sex or religion.

Ascertain the number of complaints filed with federal, state and/or local agencies responsible for ensuring nondiscrimination in government programs during the fiscal year, the status of unresolved complaints or investigations, and the actions taken on resolved complaints or completed investigations.

Ascertain whether any of the programs contain prohibitions against discrimination in employment; for those programs (1) review the annual report filed with the Equal Employment Opportunity Commission (EEOC), if any, and (2) ascertain the number of complaints filed during the fiscal year, the status of unresolved complaints and investigations, and the actions taken on resolved complaints or completed investigations.

Determine whether facilities financed by grant funds that are required to be located in a nondiscriminatory manner are so located.

Obtain representation and/or attorney letters to determine if any civil rights suits have been adjudicated or are pending.

4. AMERICANS WITH DISABILITIES ACT OF 1990

Any Program or activity funded, in whole or in part, by State and/or Federal Funds is subject to the Americans with Disabilities Act of 1990. Title II of the Americans with Disabilities Act (ADA) provides that "no qualified individual with a disability shall, by reason of such disability, be excluded from participation in or be denied the benefits of the services, programs, or activities of a public entity, or be subjected to discrimination by such entity." 42 U.S.C., 12132 et. seq.

Suggested Audit Procedures

Determine if the Grantee is in compliance with the Americans with Disabilities Act of 1990.

5. DEBARMENT AND SUSPENSION

Federal Executive Order 12549 "Debarment and Suspension," and State Executive Order 34/1976 state that a grantee may not be eligible for an award funded by Department appropriations if the agency, its key employees or subgrantees have been debarred from Federal Procurement and Non-Procurement programs.

Suggested Audit Procedures

Verify that the grantee, its key employees or subgrantees have not been debarred from State or Federal Procurement and Non-Procurement Programs.

6. LOBBYING

Section 319 of Federal Public Law 101-121 prohibits recipients of contracts, grants and loans from using appropriated funds for lobbying the Executive or Legislative Branches of Government in connection with a specific contract, grant or loan. Section 319 also requires that each person who requests or receives a contract, grant, cooperative agreement, loan or a commitment to insure or guarantee a loan, must disclose lobbying activities.

Suggested Audit Procedures

Verify that funds have not been used for lobbying activities as stated in Section 1352 of Public Law 101-121.

Verify that the Standard Form-LLL, "Disclosure Form to Report Lobbying" was completed indicating to whom payments were made, how much money was involved and the type of work involved. Verify that the standard form was submitted to the Granting Agency to disclose activities pursuant to 31 U.S.C. 1352.

7. GRANTEE'S TERMS & CONDITIONS FOR ADMINISTRATION OF GRANTS

Administrative and financial requirements stated in this manual are applicable to all agencies, which receive grant funds from the Department.

Suggested Audit Procedures

Determine if the grantee is in compliance with laws, regulations and administrative and financial requirements and funds have been applied efficiently, economically and effectively.

8. FEDERAL FINANCIAL REPORTS

Most programs require the periodic submission of financial reports that fall within one or more of the following categories. The specific requirement for each grant program is presented in Attachment A of the Grant and the appropriate sub-part of the Terms and Conditions for the Administration of Grants for that program. The suggested audit procedures are provided below to facilitate the requirement for the auditor to comment on completeness and accuracy.

- a. Subpart R of the Terms and Conditions lists required financial reports that apply to most of the programs described in this document.
- b. Subpart F and G of the Terms and Conditions list cash management and payments requirements.

Suggested Audit Procedures

Review the procedures for preparing the financial reports and evaluate for adequacy.

Trace data to the supporting documentation, i.e., worksheets, ledgers, etc.

Review adjustments made to the general ledger amounts in the report affecting programs and evaluate for propriety.

9. LOCAL/STATE FIRE AND SAFETY CODES

Suggested Audit Procedures

Verify that the grantee's Local/State Fire and Safety Codes are in accordance to the uniform Fire Safety Act, NJAC 518, related statute NJSA 52, code 27-D-1-9-2.

10. PRO-CHILDREN ACT OF 1994 -ENVIRONMENTAL TOBACCO SMOKE

This act requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, early childhood development services, education or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan or loan guarantee. The law also applies to children's services that are provided in indoor facilities that are constructed, operated, or maintained with such federal funds. The law does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment service providers whose sole source of applicable Federal funds is Medicare or Medicaid; or facilities where WIC coupons are redeemed. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1,000 for each violation and/or the imposition of an administrative compliance order on the responsible entity. If applicable, the grantee is to sign a certification indicating that the agency/organization will comply with the requirements of the Act and will not allow smoking within any portion of any indoor facility used for the provision of services for children as defined by the Act.

Suggested Audit Procedures

Determine if the grantee is in compliance with the Pro-Children Act of 1994 and a certification has been signed and is on file in the agency's office.

**II. SPECIFIC REQUIREMENTS**

A. Applicable Statute

1. New Jersey Legislation P.L. 1989, Chapter 270 provides for program funding.

B. Program Objectives

1. To provide financial assistance to persons 18 and older who have cystic fibrosis for the purpose of purchasing supplemental nutritious foods, prescription drugs, and medical supplies and equipment provided they meet certain financial eligibility criteria as stipulated in the bill; and up to \$500 per year to help meet the cost of the deductible on the health insurance policy, without consideration of individual or family income.

C. Program Procedures

1. The Commissioner shall contract with a nonprofit organization in New Jersey that has experience in providing financial assistance and direct services to persons with cystic fibrosis, to administer the program.

D. State Compliance Requirements

1. Types of Services Allowed or Unallowed

a. Compliance Requirements

Monies may be expended for those services approved in the grant and specified in Attachment C of each grant award.

b. Suggested Audit Procedures

Review documentation related to grant expenditures.

Test expenditures and related records.

2. Eligibility

a. Compliance Requirements

Grants for Pharmaceutical Assistance for Clients with Cystic Fibrosis are awarded only to those non-profit agencies that are already established non-profit agencies, organizations or groups active in cystic fibrosis disease services, education, or prevention, such as the NJ State Organization of Cystic Fibrosis.

b. Suggested Audit Procedures

Compliance has already been checked by Program. Further audit not required for grants being renewed. Audits may be required for those agencies receiving initial or new grants.

3. Matching, Level of Effort, and/or Allocation Requirements

a. Compliance Requirements

A minimum of seventy-five percent (75%) of the funds granted will be used to provide direct client benefits, for payment of prescription drugs, medical supplies/equipment, nutritional supplements, nutritious foods and to defray costs of the insurance deductible of recipients. A maximum of twenty-five percent (25%) of funds will be used for administrative costs, such as rent, travel, salaries and other administrative costs.

b. Suggested Audit Procedures

Compliance has already been checked by Program. Further audit not required for grants being renewed. Audits may be required for those agencies receiving initial or new grants.

4. Reporting Requirements

a. Compliance Requirements

The following reports must be submitted as specified in Attachment C:

1. Invoices
2. Report of Grant Expenditures
3. Grant Progress Report

b. Suggested Audit Procedures

Review forms for completeness.

Test accuracy of reports.

5. Special Tests and Provisions

a. Compliance Requirements

Not Applicable

b. Suggested Audit Procedures

Not Applicable



**New Jersey Department of Health and Senior Services**

**GRANT COMPLIANCE REQUIREMENTS**

Grant Title: Birth Defects Registry

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Account Number: 100 046 4220 082

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**I. GENERAL STATE REQUIREMENTS**

The following administrative requirements are applicable to the various types of agencies, which receive grant funds from the Department of Health and Senior Services.

**A. COMPLIANCE REQUIREMENTS**

**1. POLITICAL ACTIVITY**

Grant funds cannot be used for partisan political activity of any kind by any person or organization involved in the administration of state or federally-assisted programs. Hatch Act (5 U.S.C. 1501-1508) and Intergovernmental Personnel Act of 1970 as amended by Title VI of Civil Service Reform Act (P.L. 95-454 Section 4728).

Suggested Audit Procedures

Test the expenditure and related records for indications of lobbying activities, publications, or other materials intended for influencing legislation or similar type costs.

Test the personnel and payroll records, and identify persons whose responsibilities or activities include political activity.

Test whether the above costs, if any exist, are charged directly or indirectly, to Grants.

**2. DAVIS-BACON ACT**

When required by the grant program legislation, all laborers and mechanics employed by contractors or subcontractors to work on construction projects must be paid wages not less than those established for the locality of the project by the Secretary of Labor.

(40 Stat. 1491, Mar 3, 1921, Chap. 411, 40 U.S.C. 276A-276A-5).

Suggested Audit Procedures

Identify the programs involving construction activities.

Review selected construction contracts and subcontracts and determine whether they contain provisions requiring the payment of "prevailing" wages.

Review the grantee's system for monitoring applicable contractors and subcontractors with respect to payment of prevailing wages and evaluate for adequacy.

Review the monitoring system for contracts for selected programs and determine whether there is adherence to the prescribed procedures.

For grantee's which have not developed a system, or whose system is not operating effectively:

- Obtain payroll lists from contractors and review wages paid.
- Determine whether wages paid conform to the prevailing wages.

### 3. CIVIL RIGHTS

No person shall, on the grounds of race, color, national origin, age, or handicap, be excluded from participation in or be subjected to discrimination in any program or activity funded, in whole or in part, by grant funds. Discrimination on the basis of sex or religion is also prohibited in some programs. (Age-42 U.S.C. 6101 et. seq.; Race-42 U.S.C. 2000d; Handicap-29 U.S.C. 794.)

#### Suggested Audit Procedures

Determine whether the grantee has announced a formal policy of nondiscrimination.

For recipients employing 15 or more persons, ascertain whether a person has been designated to oversee civil rights compliance.

Ascertain from the grant agreement whether any of the programs contain prohibitions against discrimination on the basis of sex or religion.

Ascertain the number of complaints filed with federal, state and/or local agencies responsible for ensuring nondiscrimination in government programs during the fiscal year, the status of unresolved complaints or investigations, and the actions taken on resolved complaints or completed investigations.

Ascertain whether any of the programs contain prohibitions against discrimination in employment; for those programs (1) review the annual report filed with the Equal Employment Opportunity Commission (EEOC), if any, and (2) ascertain the number of complaints filed during the fiscal year, the status of unresolved complaints and investigations, and the actions taken on resolved complaints or completed investigations.

Determine whether facilities financed by grant funds that are required to be located in a nondiscriminatory manner are so located.

Obtain representation and/or attorney letters to determine if any civil rights suits have been adjudicated or are pending.

### 4. AMERICANS WITH DISABILITIES ACT OF 1990

Any Program or activity funded, in whole or in part, by State and/or Federal Funds is subject to the Americans with Disabilities Act of 1990. Title II of the Americans with Disabilities Act (ADA) provides that "no qualified individual with a disability shall, by reason of such disability, be excluded from participation in or be denied the benefits of the services, programs, or activities of a public entity, or be subjected to discrimination by such entity." 42 U.S.C., 12132 et. seq.

#### Suggested Audit Procedures

Determine if the Grantee is in compliance with the Americans with Disabilities Act of 1990.

5. DEBARMENT AND SUSPENSION

Federal Executive Order 12549 "Debarment and Suspension," and State Executive Order 34/1976 state that a grantee may not be eligible for an award funded by Department appropriations if the agency, its key employees or subgrantees have been debarred from Federal Procurement and Non-Procurement programs.

Suggested Audit Procedures

Verify that the grantee, its key employees or subgrantees have not been debarred from State or Federal Procurement and Non-Procurement Programs.

6. LOBBYING

Section 319 of Federal Public Law 101-121 prohibits recipients of contracts, grants and loans from using appropriated funds for lobbying the Executive or Legislative Branches of Government in connection with a specific contract, grant or loan. Section 319 also requires that each person who requests or receives a contract, grant, cooperative agreement, loan or a commitment to insure or guarantee a loan, must disclose lobbying activities.

Suggested Audit Procedures

Verify that funds have not been used for lobbying activities as stated in Section 1352 of Public Law 101-121.

Verify that the Standard Form-LLL, "Disclosure Form to Report Lobbying" was completed indicating to whom payments were made, how much money was involved and the type of work involved. Verify that the standard form was submitted to the Granting Agency to disclose activities pursuant to 31 U.S.C. 1352.

7. GRANTEE'S TERMS & CONDITIONS FOR ADMINISTRATION OF GRANTS

Administrative and financial requirements stated in this manual are applicable to all agencies, which receive grant funds from the Department.

Suggested Audit Procedures

Determine if the grantee is in compliance with laws, regulations and administrative and financial requirements and funds have been applied efficiently, economically and effectively.

8. FEDERAL FINANCIAL REPORTS

Most programs require the periodic submission of financial reports that fall within one or more of the following categories. The specific requirement for each grant program is presented in Attachment A of the Grant and the appropriate sub-part of the Terms and Conditions for the Administration of Grants for that program. The suggested audit procedures are provided below to facilitate the requirement for the auditor to comment on completeness and accuracy.

- a. Subpart R of the Terms and Conditions lists required financial reports that apply to most of the programs described in this document.
- b. Subpart F and G of the Terms and Conditions list cash management and payments requirements.

Suggested Audit Procedures

Review the procedures for preparing the financial reports and evaluate for adequacy.

Trace data to the supporting documentation, i.e., worksheets, ledgers, etc.

Review adjustments made to the general ledger amounts in the report affecting programs and evaluate for propriety.

9. LOCAL/STATE FIRE AND SAFETY CODES

Suggested Audit Procedures

Verify that the grantee's Local/State Fire and Safety Codes are in accordance to the uniform Fire Safety Act, NJAC 518, related statute NJSA 52, code 27-D-1-9-2.

10. PRO-CHILDREN ACT OF 1994 - ENVIRONMENTAL TOBACCO SMOKE

This act requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, early childhood development services, education or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan or loan guarantee. The law also applies to children's services that are provided in indoor facilities that are constructed, operated, or maintained with such federal funds. The law does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment service providers whose sole source of applicable Federal funds is Medicare or Medicaid; or facilities where WIC coupons are redeemed. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1,000 for each violation and/or the imposition of an administrative compliance order on the responsible entity. If applicable, the grantee is to sign a certification indicating that the agency/organization will comply with the requirements of the Act and will not allow smoking within any portion of any indoor facility used for the provision of services for children as defined by the Act.

Suggested Audit Procedures

Determine if the grantee is in compliance with the Pro-Children Act of 1994 and a certification has been signed and is on file in the agency's office.

**SPECIFIC STATE REQUIREMENTS**

**I. PROGRAM OBJECTIVES**

The objectives of the Birth Defects Registry are to:

Provide for early identification and provision of services to families of children born in New Jersey with a birth defect(s).

Collect information regarding birth defects.

Conduct studies of birth defects.

## II. PROGRAM PROCEDURES

The Program contracts for services related to diagnosis and study of birth defects, and services to children born with birth defects. The Program staff gathers data on birth defects in accordance with N.J.S.A. 26:8-40.20, monitors and investigates incidence patterns. In addition, the Program contracts with agencies to provide services to such children.

## III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

### A. TYPES OF SERVICES ALLOWED OR UNALLOWED

#### Compliance Requirement

Agencies must:

Provide services stated in contractual agreement.

Expend funds as stated in contractual agreement.

#### Suggested Audit Procedures

- \* Review contractual agreement;
- \* Test expenditures and related records.

### B. ELIGIBILITY

#### Compliance Requirement

Services must be provided to any family or child who has or is suspected of having a birth defect.

#### Suggested Audit Procedures

- \* Review and test records.

### C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING REQUIREMENTS

None

### D. REPORTING REQUIREMENTS

#### Compliance Requirement

Progress Reports must be submitted according to time lines stated in contract.

Expenditure Reports must be submitted according to contractual agreement.

#### Suggested Audit Procedures

- \* Determine that reports were submitted on a timely basis;
- \* Review and test accuracy of reports.

**E. SPECIAL TESTS AND PROVISIONS**

None

**New Jersey Department of Health and Senior Services**

**GRANT COMPLIANCE REQUIREMENTS**

Grant Title: Lead Poisoning Program

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Account Number: 100 046 4220 087

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**I. GENERAL STATE REQUIREMENTS**

The following administrative requirements are applicable to the various types of agencies, which receive grant funds from the Department of Health and Senior Services.

**A. COMPLIANCE REQUIREMENTS**

**1. POLITICAL ACTIVITY**

Grant funds cannot be used for partisan political activity of any kind by any person or organization involved in the administration of state or federally-assisted programs. Hatch Act (5 U.S.C. 1501-1508) and Intergovernmental Personnel Act of 1970 as amended by Title VI of Civil Service Reform Act (P.L. 95-454 Section 4728).

Suggested Audit Procedures

Test the expenditure and related records for indications of lobbying activities, publications, or other materials intended for influencing legislation or similar type costs.

Test the personnel and payroll records, and identify persons whose responsibilities or activities include political activity.

Test whether the above costs, if any exist, are charged directly or indirectly, to Grants.

**2. DAVIS-BACON ACT**

When required by the grant program legislation, all laborers and mechanics employed by contractors or subcontractors to work on construction projects must be paid wages not less than those established for the locality of the project by the Secretary of Labor.

(40 Stat. 1491, Mar 3, 1921, Chap. 411, 40 U.S.C. 276A-276A-5).

Suggested Audit Procedures

Identify the programs involving construction activities.

Review selected construction contracts and subcontracts and determine whether they contain provisions requiring the payment of "prevailing" wages.

Review the grantee's system for monitoring applicable contractors and subcontractors with respect to payment of prevailing wages and evaluate for adequacy.

Review the monitoring system for contracts for selected programs and determine whether there is adherence to the prescribed procedures.

For grantee's which have not developed a system, or whose system is not operating effectively:

- Obtain payroll lists from contractors and review wages paid.
- Determine whether wages paid conform to the prevailing wages.

3. CIVIL RIGHTS

No person shall, on the grounds of race, color, national origin, age, or handicap, be excluded from participation in or be subjected to discrimination in any program or activity funded, in whole or in part, by grant funds. Discrimination on the basis of sex or religion is also prohibited in some programs. (Age-42 U.S.C. 6101 et. seq.; Race-42 U.S.C. 2000d; Handicap-29 U.S.C. 794.)

Suggested Audit Procedures

Determine whether the grantee has announced a formal policy of nondiscrimination.

For recipients employing 15 or more persons, ascertain whether a person has been designated to oversee civil rights compliance.

Ascertain from the grant agreement whether any of the programs contain prohibitions against discrimination on the basis of sex or religion.

Ascertain the number of complaints filed with federal, state and/or local agencies responsible for ensuring nondiscrimination in government programs during the fiscal year, the status of unresolved complaints or investigations, and the actions taken on resolved complaints or completed investigations.

Ascertain whether any of the programs contain prohibitions against discrimination in employment; for those programs (1) review the annual report filed with the Equal Employment Opportunity Commission (EEOC), if any, and (2) ascertain the number of complaints filed during the fiscal year, the status of unresolved complaints and investigations, and the actions taken on resolved complaints or completed investigations.

Determine whether facilities financed by grant funds that are required to be located in a nondiscriminatory manner are so located.

Obtain representation and/or attorney letters to determine if any civil rights suits have been adjudicated or are pending.

4. AMERICANS WITH DISABILITIES ACT OF 1990

Any Program or activity funded, in whole or in part, by State and/or Federal Funds is subject to the Americans with Disabilities Act of 1990. Title II of the Americans with Disabilities Act (ADA) provides that "no qualified individual with a disability shall, by reason of such disability, be excluded from participation in or be denied the benefits of the services, programs, or activities of a public entity, or be subjected to discrimination by such entity." 42 U.S.C., 12132 et. seq.

Suggested Audit Procedures

Determine if the Grantee is in compliance with the Americans with Disabilities Act of 1990.



5. DEBARMENT AND SUSPENSION

Federal Executive Order 12549 "Debarment and Suspension," and State Executive Order 34/1976 state that a grantee may not be eligible for an award funded by Department appropriations if the agency, its key employees or subgrantees have been debarred from Federal Procurement and Non-Procurement programs.

Suggested Audit Procedures

Verify that the grantee, its key employees or subgrantees have not been debarred from State or Federal Procurement and Non-Procurement Programs.

6. LOBBYING

Section 319 of Federal Public Law 101-121 prohibits recipients of contracts, grants and loans from using appropriated funds for lobbying the Executive or Legislative Branches of Government in connection with a specific contract, grant or loan. Section 319 also requires that each person who requests or receives a contract, grant, cooperative agreement, loan or a commitment to insure or guarantee a loan, must disclose lobbying activities.

Suggested Audit Procedures

Verify that funds have not been used for lobbying activities as stated in Section 1352 of Public Law 101-121.

Verify that the Standard Form-LLL, "Disclosure Form to Report Lobbying" was completed indicating to whom payments were made, how much money was involved and the type of work involved. Verify that the standard form was submitted to the Granting Agency to disclose activities pursuant to 31 U.S.C. 1352.

7. GRANTEE'S TERMS & CONDITIONS FOR ADMINISTRATION OF GRANTS

Administrative and financial requirements stated in this manual are applicable to all agencies, which receive grant funds from the Department.

Suggested Audit Procedures

Determine if the grantee is in compliance with laws, regulations and administrative and financial requirements and funds have been applied efficiently, economically and effectively.

8. FEDERAL FINANCIAL REPORTS

Most programs require the periodic submission of financial reports that fall within one or more of the following categories. The specific requirement for each grant program is presented in Attachment A of the Grant and the appropriate sub-part of the Terms and Conditions for the Administration of Grants for that program. The suggested audit procedures are provided below to facilitate the requirement for the auditor to comment on completeness and accuracy.

- a. Subpart R of the Terms and Conditions lists required financial reports that apply to most of the programs described in this document.
- b. Subpart F and G of the Terms and Conditions list cash management and payments requirements.

Suggested Audit Procedures

Review the procedures for preparing the financial reports and evaluate for adequacy.

Trace data to the supporting documentation, i.e., worksheets, ledgers, etc.

Review adjustments made to the general ledger amounts in the report affecting programs and evaluate for propriety.

9. LOCAL/STATE FIRE AND SAFETY CODES

Suggested Audit Procedures

Verify that the grantee's Local/State Fire and Safety Codes are in accordance to the uniform Fire Safety Act, NJAC 518, related statute NJSA 52, code 27-D-1-9-2.

10. PRO-CHILDREN ACT OF 1994 - ENVIRONMENTAL TOBACCO SMOKE

This act requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, early childhood development services, education or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan or loan guarantee. The law also applies to children's services that are provided in indoor facilities that are constructed, operated, or maintained with such federal funds. The law does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment service providers whose sole source of applicable Federal funds is Medicare or Medicaid; or facilities where WIC coupons are redeemed. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1,000 for each violation and/or the imposition of an administrative compliance order on the responsible entity. If applicable, the grantee is to sign a certification indicating that the agency/organization will comply with the requirements of the Act and will not allow smoking within any portion of any indoor facility used for the provision of services for children as defined by the Act.

Suggested Audit Procedures

Determine if the grantee is in compliance with the Pro-Children Act of 1994 and a certification has been signed and is on file in the agency's office.

**SPECIFIC STATE REQUIREMENTS**

**I. PROGRAM OBJECTIVES**

The objective of the Lead Poisoning Program is to prevent childhood lead toxicity through early detection followed by effective medical and environmental intervention before the child reaches the stage of overt lead poisoning.

**II. PROGRAM PROCEDURES**

Funds are provided to third party subrecipients based upon submission of a Health Service Application. The application is subject to a Program and Fiscal Unit review and funding is recommended to the Department upon availability of funds.

**III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES**

**A. TYPES OF SERVICES ALLOWED OR UNALLOWED**

Compliance Requirement

Moneys cannot be expended for other than support services of a lead poisoning prevention program that includes case finding, medical management, environmental abatement and education.

Suggested Audit Procedures

- \* Review grant agreement and determine that expenditures are in accord with line item request in budget;

**B. ELIGIBILITY**

Compliance Requirement

Children 1-5 years of age who live in target service areas.

Suggested Audit Procedures

- \* Review selected Blood Lead lab Report Forms and determine address and age.

**C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING REQUIREMENTS**

None

**D. REPORTING REQUIREMENTS**

Compliance Requirement

Childhood Lead Poisoning Prevention Program Quarterly Report. This Report provides significant data on the major components of each Program and is prepared in lieu of the Department of Health Progress and Evaluation Report.

Suggested Audit Procedures

- \* Verify that Quarterly Reports have been completed and received by the Program;

**E. SPECIAL TESTS AND PROVISIONS**

None

**New Jersey Department of Health and Senior Services**

**GRANT COMPLIANCE REQUIREMENTS**

Grant Title: Poison Control Center

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Account Number: 100 046 4220 091

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**I. GENERAL STATE REQUIREMENTS**

The following administrative requirements are applicable to the various types of agencies, which receive grant funds from the Department of Health and Senior Services.

**A. COMPLIANCE REQUIREMENTS**

**1. POLITICAL ACTIVITY**

Grant funds cannot be used for partisan political activity of any kind by any person or organization involved in the administration of state or federally-assisted programs. Hatch Act (5 U.S.C. 1501-1508) and Intergovernmental Personnel Act of 1970 as amended by Title VI of Civil Service Reform Act (P.L. 95-454 Section 4728).

Suggested Audit Procedures

Test the expenditure and related records for indications of lobbying activities, publications, or other materials intended for influencing legislation or similar type costs.

Test the personnel and payroll records, and identify persons whose responsibilities or activities include political activity.

Test whether the above costs, if any exist, are charged directly or indirectly, to Grants.

**2. DAVIS-BACON ACT**

When required by the grant program legislation, all laborers and mechanics employed by contractors or subcontractors to work on construction projects must be paid wages not less than those established for the locality of the project by the Secretary of Labor.

(40 Stat. 1491, Mar 3, 1921, Chap. 411, 40 U.S.C. 276A-276A-5).

Suggested Audit Procedures

Identify the programs involving construction activities.

Review selected construction contracts and subcontracts and determine whether they contain provisions requiring the payment of "prevailing" wages.

Review the grantee's system for monitoring applicable contractors and subcontractors with respect to payment of prevailing wages and evaluate for adequacy.

Review the monitoring system for contracts for selected programs and determine whether there is adherence to the prescribed procedures.

For grantee's which have not developed a system, or whose system is not operating effectively:

- Obtain payroll lists from contractors and review wages paid.
- Determine whether wages paid conform to the prevailing wages.

### 3. CIVIL RIGHTS

No person shall, on the grounds of race, color, national origin, age, or handicap, be excluded from participation in or be subjected to discrimination in any program or activity funded, in whole or in part, by grant funds. Discrimination on the basis of sex or religion is also prohibited in some programs. (Age-42 U.S.C. 6101 et. seq.; Race-42 U.S.C. 2000d; Handicap-29 U.S.C. 794.)

#### Suggested Audit Procedures

Determine whether the grantee has announced a formal policy of nondiscrimination.

For recipients employing 15 or more persons, ascertain whether a person has been designated to oversee civil rights compliance.

Ascertain from the grant agreement whether any of the programs contain prohibitions against discrimination on the basis of sex or religion.

Ascertain the number of complaints filed with federal, state and/or local agencies responsible for ensuring nondiscrimination in government programs during the fiscal year, the status of unresolved complaints or investigations, and the actions taken on resolved complaints or completed investigations.

Ascertain whether any of the programs contain prohibitions against discrimination in employment; for those programs (1) review the annual report filed with the Equal Employment Opportunity Commission (EEOC), if any, and (2) ascertain the number of complaints filed during the fiscal year, the status of unresolved complaints and investigations, and the actions taken on resolved complaints or completed investigations.

Determine whether facilities financed by grant funds that are required to be located in a nondiscriminatory manner are so located.

Obtain representation and/or attorney letters to determine if any civil rights suits have been adjudicated or are pending.

### 4. AMERICANS WITH DISABILITIES ACT OF 1990

Any Program or activity funded, in whole or in part, by State and/or Federal Funds is subject to the Americans with Disabilities Act of 1990. Title II of the Americans with Disabilities Act (ADA) provides that "no qualified individual with a disability shall, by reason of such disability, be excluded from participation in or be denied the benefits of the services, programs, or activities of a public entity, or be subjected to discrimination by such entity." 42 U.S.C., 12132 et. seq.

#### Suggested Audit Procedures

Determine if the Grantee is in compliance with the Americans with Disabilities Act of 1990.

5. DEBARMENT AND SUSPENSION

Federal Executive Order 12549 "Debarment and Suspension," and State Executive Order 34/1976 state that a grantee may not be eligible for an award funded by Department appropriations if the agency, its key employees or subgrantees have been debarred from Federal Procurement and Non-Procurement programs.

Suggested Audit Procedures

Verify that the grantee, its key employees or subgrantees have not been debarred from State or Federal Procurement and Non-Procurement Programs.

6. LOBBYING

Section 319 of Federal Public Law 101-121 prohibits recipients of contracts, grants and loans from using appropriated funds for lobbying the Executive or Legislative Branches of Government in connection with a specific contract, grant or loan. Section 319 also requires that each person who requests or receives a contract, grant, cooperative agreement, loan or a commitment to insure or guarantee a loan, must disclose lobbying activities.

Suggested Audit Procedures

Verify that funds have not been used for lobbying activities as stated in Section 1352 of Public Law 101-121.

Verify that the Standard Form-LLL, "Disclosure Form to Report Lobbying" was completed indicating to whom payments were made, how much money was involved and the type of work involved. Verify that the standard form was submitted to the Granting Agency to disclose activities pursuant to 31 U.S.C. 1352.

7. GRANTEE'S TERMS & CONDITIONS FOR ADMINISTRATION OF GRANTS

Administrative and financial requirements stated in this manual are applicable to all agencies, which receive grant funds from the Department.

Suggested Audit Procedures

Determine if the grantee is in compliance with laws, regulations and administrative and financial requirements and funds have been applied efficiently, economically and effectively.

8. FEDERAL FINANCIAL REPORTS

Most programs require the periodic submission of financial reports that fall within one or more of the following categories. The specific requirement for each grant program is presented in Attachment A of the Grant and the appropriate sub-part of the Terms and Conditions for the Administration of Grants for that program. The suggested audit procedures are provided below to facilitate the requirement for the auditor to comment on completeness and accuracy.

- a. Subpart R of the Terms and Conditions lists required financial reports that apply to most of the programs described in this document.
- b. Subpart F and G of the Terms and Conditions list cash management and payments requirements.

Suggested Audit Procedures

Review the procedures for preparing the financial reports and evaluate for adequacy.

Trace data to the supporting documentation, i.e., worksheets, ledgers, etc.

Review adjustments made to the general ledger amounts in the report affecting programs and evaluate for propriety.

9. LOCAL/STATE FIRE AND SAFETY CODES

Suggested Audit Procedures

Verify that the grantee's Local/State Fire and Safety Codes are in accordance to the uniform Fire Safety Act, NJAC 518, related statute NJSA 52, code 27-D-1-9-2.

10. PRO-CHILDREN ACT OF 1994 - ENVIRONMENTAL TOBACCO SMOKE

This act requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, early childhood development services, education or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan or loan guarantee. The law also applies to children's services that are provided in indoor facilities that are constructed, operated, or maintained with such federal funds. The law does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment service providers whose sole source of applicable Federal funds is Medicare or Medicaid; or facilities where WIC coupons are redeemed. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1,000 for each violation and/or the imposition of an administrative compliance order on the responsible entity. If applicable, the grantee is to sign a certification indicating that the agency/organization will comply with the requirements of the Act and will not allow smoking within any portion of any indoor facility used for the provision of services for children as defined by the Act.

Suggested Audit Procedures

Determine if the grantee is in compliance with the Pro-Children Act of 1994 and a certification has been signed and is on file in the agency's office.

**SPECIFIC STATE REQUIREMENTS**

**I. PROGRAM OBJECTIVES**

The objectives of the Poison Control Center Program are to provide:

A 24-hour, seven day a week toll-free telephone line for inquiries about poisoning. Such service to be staffed by persons specially trained to work in a poison information and education center.

Associated educational and information services for health care professionals and the public.

## II. PROGRAM PROCEDURES

Funding for the New Jersey Poison Information and Education System (NJPIES) is through a special State appropriation. A grant application is submitted to obtain funds and a contract is issued. Each center may have other sources of funding, such as subscriptions by member hospitals and/or outside philanthropies.

## III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

### A. TYPES OF SERVICES ALLOWED OR UNALLOWED

#### Compliance Requirement

Funds can be expended for NJPIES staffing, supplies and associated expenses as outlined in contract.

#### Suggested Audit Procedures

- \* Review grant agreement (contract) for applicable year to determine which activities and expenses are allowed;
- \* Test expenditures and related records.

### B. ELIGIBILITY

#### Compliance Requirement

Anyone who uses the toll-free number is a suitable candidate for service.

#### Suggested Audit Procedures

None

### C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING REQUIREMENTS

None

### D. REPORTING REQUIREMENTS

#### Compliance Requirement

Quarterly Progress Reports - contain information on number of calls, type of calls received and other programmatic information.

#### Suggested Audit Procedures

- \* Review the Quarterly Progress Reports



**E. SPECIAL TESTS AND PROVISIONS**

Compliance Requirement

The New Jersey Poison Information and Educational System should continue to meet all requirements of New Jersey Law (P.L. 1982, Chapter 177) and retain its designation as a Regional Poison Control Center through the American Association of Poison Control Centers (AAPCC).

Suggested Audit Procedures

- \* Test compliance with New Jersey Law (P.L. 1982, C.177);
- \* Verify proof of AAPCC designation.

**New Jersey Department of Health and Senior Services**

**GRANT COMPLIANCE REQUIREMENTS**

Grant Title: Special Child Health Services for Handicapped Children (Newborn Screening and Follow-up Treatment for Hemoglobins)

Account Number: 100 046 4220 079  
100 046 4220 101

**I. GENERAL STATE REQUIREMENTS**

The following administrative requirements are applicable to the various types of agencies, which receive grant funds from the Department of Health and Senior Services.

**A. COMPLIANCE REQUIREMENTS**

**1. POLITICAL ACTIVITY**

Grant funds cannot be used for partisan political activity of any kind by any person or organization involved in the administration of state or federally-assisted programs. Hatch Act (5 U.S.C. 1501-1508) and Intergovernmental Personnel Act of 1970 as amended by Title VI of Civil Service Reform Act (P.L. 95-454 Section 4728).

Suggested Audit Procedures

Test the expenditure and related records for indications of lobbying activities, publications, or other materials intended for influencing legislation or similar type costs.

Test the personnel and payroll records, and identify persons whose responsibilities or activities include political activity.

Test whether the above costs, if any exist, are charged directly or indirectly, to Grants.

**2. DAVIS-BACON ACT**

When required by the grant program legislation, all laborers and mechanics employed by contractors or subcontractors to work on construction projects must be paid wages not less than those established for the locality of the project by the Secretary of Labor.

(40 Stat. 1491, Mar 3, 1921, Chap. 411, 40 U.S.C. 276A-276A-5).

Suggested Audit Procedures

Identify the programs involving construction activities.

Review selected construction contracts and subcontracts and determine whether they contain provisions requiring the payment of "prevailing" wages.

Review the grantee's system for monitoring applicable contractors and subcontractors with respect to payment of prevailing wages and evaluate for adequacy.

Review the monitoring system for contracts for selected programs and determine whether there is adherence to the prescribed procedures.

For grantee's which have not developed a system, or whose system is not operating effectively:

- Obtain payroll lists from contractors and review wages paid.
- Determine whether wages paid conform to the prevailing wages.

3. CIVIL RIGHTS

No person shall, on the grounds of race, color, national origin, age, or handicap, be excluded from participation in or be subjected to discrimination in any program or activity funded, in whole or in part, by grant funds. Discrimination on the basis of sex or religion is also prohibited in some programs. (Age-42 U.S.C. 6101 et. seq.; Race-42 U.S.C. 2000d; Handicap-29 U.S.C. 794.)

Suggested Audit Procedures

Determine whether the grantee has announced a formal policy of nondiscrimination.

For recipients employing 15 or more persons, ascertain whether a person has been designated to oversee civil rights compliance.

Ascertain from the grant agreement whether any of the programs contain prohibitions against discrimination on the basis of sex or religion.

Ascertain the number of complaints filed with federal, state and/or local agencies responsible for ensuring nondiscrimination in government programs during the fiscal year, the status of unresolved complaints or investigations, and the actions taken on resolved complaints or completed investigations.

Ascertain whether any of the programs contain prohibitions against discrimination in employment; for those programs (1) review the annual report filed with the Equal Employment Opportunity Commission (EEOC), if any, and (2) ascertain the number of complaints filed during the fiscal year, the status of unresolved complaints and investigations, and the actions taken on resolved complaints or completed investigations.

Determine whether facilities financed by grant funds that are required to be located in a nondiscriminatory manner are so located.

Obtain representation and/or attorney letters to determine if any civil rights suits have been adjudicated or are pending.

4. AMERICANS WITH DISABILITIES ACT OF 1990

Any Program or activity funded, in whole or in part, by State and/or Federal Funds is subject to the Americans with Disabilities Act of 1990. Title II of the Americans with Disabilities Act (ADA) provides that "no qualified individual with a disability shall, by reason of such disability, be excluded from participation in or be denied the benefits of the services, programs, or activities of a public entity, or be subjected to discrimination by such entity." 42 U.S.C., 12132 et. seq.

Suggested Audit Procedures

Determine if the Grantee is in compliance with the Americans with Disabilities Act of 1990.

5. DEBARMENT AND SUSPENSION

Federal Executive Order 12549 "Debarment and Suspension," and State Executive Order 34/1976 state that a grantee may not be eligible for an award funded by Department appropriations if the agency, its key employees or subgrantees have been debarred from Federal Procurement and Non-Procurement programs.

Suggested Audit Procedures

Verify that the grantee, its key employees or subgrantees have not been debarred from State or Federal Procurement and Non-Procurement Programs.

6. LOBBYING

Section 319 of Federal Public Law 101-121 prohibits recipients of contracts, grants and loans from using appropriated funds for lobbying the Executive or Legislative Branches of Government in connection with a specific contract, grant or loan. Section 319 also requires that each person who requests or receives a contract, grant, cooperative agreement, loan or a commitment to insure or guarantee a loan, must disclose lobbying activities.

Suggested Audit Procedures

Verify that funds have not been used for lobbying activities as stated in Section 1352 of Public Law 101-121.

Verify that the Standard Form-LLL, "Disclosure Form to Report Lobbying" was completed indicating to whom payments were made, how much money was involved and the type of work involved. Verify that the standard form was submitted to the Granting Agency to disclose activities pursuant to 31 U.S.C. 1352.

7. GRANTEE'S TERMS & CONDITIONS FOR ADMINISTRATION OF GRANTS

Administrative and financial requirements stated in this manual are applicable to all agencies, which receive grant funds from the Department.

Suggested Audit Procedures

Determine if the grantee is in compliance with laws, regulations and administrative and financial requirements and funds have been applied efficiently, economically and effectively.

8. FEDERAL FINANCIAL REPORTS

Most programs require the periodic submission of financial reports that fall within one or more of the following categories. The specific requirement for each grant program is presented in Attachment A of the Grant and the appropriate sub-part of the Terms and Conditions for the Administration of Grants for that program. The suggested audit procedures are provided below to facilitate the requirement for the auditor to comment on completeness and accuracy.

- a. Subpart R of the Terms and Conditions lists required financial reports that apply to most of the programs described in this document.
- b. Subpart F and G of the Terms and Conditions list cash management and payments requirements.

Suggested Audit Procedures

Review the procedures for preparing the financial reports and evaluate for adequacy.

Trace data to the supporting documentation, i.e., worksheets, ledgers, etc.

Review adjustments made to the general ledger amounts in the report affecting programs and evaluate for propriety.

9. LOCAL/STATE FIRE AND SAFETY CODES

Suggested Audit Procedures

Verify that the grantee's Local/State Fire and Safety Codes are in accordance to the uniform Fire Safety Act, NJAC 518, related statute NJSA 52, code 27-D-1-9-2.

10. PRO-CHILDREN ACT OF 1994 - ENVIRONMENTAL TOBACCO SMOKE

This act requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, early childhood development services, education or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan or loan guarantee. The law also applies to children's services that are provided in indoor facilities that are constructed, operated, or maintained with such federal funds. The law does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment service providers whose sole source of applicable Federal funds is Medicare or Medicaid; or facilities where WIC coupons are redeemed. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1,000 for each violation and/or the imposition of an administrative compliance order on the responsible entity. If applicable, the grantee is to sign a certification indicating that the agency/organization will comply with the requirements of the Act and will not allow smoking within any portion of any indoor facility used for the provision of services for children as defined by the Act.

Suggested Audit Procedures

Determine if the grantee is in compliance with the Pro-Children Act of 1994 and a certification has been signed and is on file in the agency's office.

**SPECIFIC STATE REQUIREMENTS**

**I. PROGRAM OBJECTIVES**

The objective of the Newborn Screening Follow-up and Treatment for Hemoglobins Program (Statute -Title 9:13-1-4,6, (2) Title 26:2-60, (3) Title 26:2-61, (4) Title 26:2-93-100 - C. 19 of P.L. 1977) is to:

Support a network of specialized health care services .for all children who are handicapped, at risk for handicaps or suspected of being handicapped, from birth to twenty-one (21) years of age.

Assure that specialized health care services are accessible to all handicapped children regardless of socioeconomic status.

Assure the provision of comprehensive and coordinated services to handicapped children through case management services.

Refer to Attachment C of each grant award for additional specific objectives.

## **II. PROGRAM PROCEDURES**

The Program utilizes both competitive and non-competitive Request for Proposals (RFPs) techniques to solicit applications for Health Service Contracts for most services.

Proposals are reviewed by staff for ability to meet Program objectives, provision of quality services as defined by Program standards and commitment to serve medically indigent families.

Health Service Contracts are awarded to agencies.

Certain program services are financed through a fee-for-service basis. A request for service for an individual child is reviewed by Program staff and authorization issued if appropriate and funds available.

## **III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES**

### **A. TYPES OF SERVICES ALLOWED OR UNALLOWED**

#### Compliance Requirement

Agencies must:

Provide services stated in contractual agreement.

Expend funds as stated in contractual agreement.

#### Suggested Audit Procedures

- \* Review contractual agreement;
- \* Test expenditures and related records.

### **B. ELIGIBILITY**

#### Compliance Requirement

Services must be provided to persons from birth to twenty-one (21) years of age who have, are at risk for, or are suspected of having a handicapping condition or chronic illness.

The Special Child Health Services' sliding fee scale is utilized for families without third party resources and private means to assume the total cost of care. Service cannot be denied because of a family's inability to pay.

#### Suggested Audit Procedures

- \* Review and test record, particularly documentation of use of the sliding fee scale and assurance of access to care despite inability to pay.

**C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING REQUIREMENTS**

None

**D. REPORTING REQUIREMENTS**

Compliance Requirement

Progress Reports must be submitted according to time lines stated in contract.

Expenditure Reports must be submitted according to contractual agreement.

Suggested Audit Procedures

- \* Determine that reports were submitted on a timely basis;
- \* Review and test for accuracy of reports.

**E. SPECIAL TESTS AND PROVISIONS**

None

**New Jersey Department of Health and Senior Services**

**GRANT COMPLIANCE REQUIREMENTS**

Grant Title: SIDS Assistance Act

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Account Number: 100 046 4220 103

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**I. GENERAL STATE REQUIREMENTS**

The following administrative requirements are applicable to the various types of agencies, which receive grant funds from the Department of Health and Senior Services.

**A. COMPLIANCE REQUIREMENTS**

**1. POLITICAL ACTIVITY**

Grant funds cannot be used for partisan political activity of any kind by any person or organization involved in the administration of state or federally-assisted programs. Hatch Act (5 U.S.C. 1501-1508) and Intergovernmental Personnel Act of 1970 as amended by Title VI of Civil Service Reform Act (P.L. 95-454 Section 4728).

Suggested Audit Procedures

Test the expenditure and related records for indications of lobbying activities, publications, or other materials intended for influencing legislation or similar type costs.

Test the personnel and payroll records, and identify persons whose responsibilities or activities include political activity.

Test whether the above costs, if any exist, are charged directly or indirectly, to Grants.

**2. DAVIS-BACON ACT**

When required by the grant program legislation, all laborers and mechanics employed by contractors or subcontractors to work on construction projects must be paid wages not less than those established for the locality of the project by the Secretary of Labor.

(40 Stat. 1491, Mar 3, 1921, Chap. 411, 40 U.S.C. 276A-276A-5).

Suggested Audit Procedures

Identify the programs involving construction activities.

Review selected construction contracts and subcontracts and determine whether they contain provisions requiring the payment of "prevailing" wages.

Review the grantee's system for monitoring applicable contractors and subcontractors with respect to payment of prevailing wages and evaluate for adequacy.

Review the monitoring system for contracts for selected programs and determine whether there is adherence to the prescribed procedures.



For grantee's which have not developed a system, or whose system is not operating effectively:

- Obtain payroll lists from contractors and review wages paid.
- Determine whether wages paid conform to the prevailing wages.

### 3. CIVIL RIGHTS

No person shall, on the grounds of race, color, national origin, age, or handicap, be excluded from participation in or be subjected to discrimination in any program or activity funded, in whole or in part, by grant funds. Discrimination on the basis of sex or religion is also prohibited in some programs. (Age-42 U.S.C. 6101 et. seq.; Race-42 U.S.C. 2000d; Handicap-29 U.S.C. 794.)

#### Suggested Audit Procedures

Determine whether the grantee has announced a formal policy of nondiscrimination.

For recipients employing 15 or more persons, ascertain whether a person has been designated to oversee civil rights compliance.

Ascertain from the grant agreement whether any of the programs contain prohibitions against discrimination on the basis of sex or religion.

Ascertain the number of complaints filed with federal, state and/or local agencies responsible for ensuring nondiscrimination in government programs during the fiscal year, the status of unresolved complaints or investigations, and the actions taken on resolved complaints or completed investigations.

Ascertain whether any of the programs contain prohibitions against discrimination in employment; for those programs (1) review the annual report filed with the Equal Employment Opportunity Commission (EEOC), if any, and (2) ascertain the number of complaints filed during the fiscal year, the status of unresolved complaints and investigations, and the actions taken on resolved complaints or completed investigations.

Determine whether facilities financed by grant funds that are required to be located in a nondiscriminatory manner are so located.

Obtain representation and/or attorney letters to determine if any civil rights suits have been adjudicated or are pending.

### 4. AMERICANS WITH DISABILITIES ACT OF 1990

Any Program or activity funded, in whole or in part, by State and/or Federal Funds is subject to the Americans with Disabilities Act of 1990. Title II of the Americans with Disabilities Act (ADA) provides that "no qualified individual with a disability shall, by reason of such disability, be excluded from participation in or be denied the benefits of the services, programs, or activities of a public entity, or be subjected to discrimination by such entity." 42 U.S.C., 12132 et. seq.

#### Suggested Audit Procedures

Determine if the Grantee is in compliance with the Americans with Disabilities Act of 1990.

5. DEBARMENT AND SUSPENSION

Federal Executive Order 12549 "Debarment and Suspension," and State Executive Order 34/1976 state that a grantee may not be eligible for an award funded by Department appropriations if the agency, its key employees or subgrantees have been debarred from Federal Procurement and Non-Procurement programs.

Suggested Audit Procedures

Verify that the grantee, its key employees or subgrantees have not been debarred from State or Federal Procurement and Non-Procurement Programs.

6. LOBBYING

Section 319 of Federal Public Law 101-121 prohibits recipients of contracts, grants and loans from using appropriated funds for lobbying the Executive or Legislative Branches of Government in connection with a specific contract, grant or loan. Section 319 also requires that each person who requests or receives a contract, grant, cooperative agreement, loan or a commitment to insure or guarantee a loan, must disclose lobbying activities.

Suggested Audit Procedures

Verify that funds have not been used for lobbying activities as stated in Section 1352 of Public Law 101-121.

Verify that the Standard Form-LLL, "Disclosure Form to Report Lobbying" was completed indicating to whom payments were made, how much money was involved and the type of work involved. Verify that the standard form was submitted to the Granting Agency to disclose activities pursuant to 31 U.S.C. 1352.

7. GRANTEE'S TERMS & CONDITIONS FOR ADMINISTRATION OF GRANTS

Administrative and financial requirements stated in this manual are applicable to all agencies, which receive grant funds from the Department.

Suggested Audit Procedures

Determine if the grantee is in compliance with laws, regulations and administrative and financial requirements and funds have been applied efficiently, economically and effectively.

8. FEDERAL FINANCIAL REPORTS

Most programs require the periodic submission of financial reports that fall within one or more of the following categories. The specific requirement for each grant program is presented in Attachment A of the Grant and the appropriate sub-part of the Terms and Conditions for the Administration of Grants for that program. The suggested audit procedures are provided below to facilitate the requirement for the auditor to comment on completeness and accuracy.

- a. Subpart R of the Terms and Conditions lists required financial reports that apply to most of the programs described in this document.
- b. Subpart F and G of the Terms and Conditions list cash management and payments requirements.

Suggested Audit Procedures

Review the procedures for preparing the financial reports and evaluate for adequacy.

Trace data to the supporting documentation, i.e., worksheets, ledgers, etc.

Review adjustments made to the general ledger amounts in the report affecting programs and evaluate for propriety.

9. LOCAL/STATE FIRE AND SAFETY CODES

Suggested Audit Procedures

Verify that the grantee's Local/State Fire and Safety Codes are in accordance to the uniform Fire Safety Act, NJAC 518, related statute NJSA 52, code 27-D-1-9-2.

10. PRO-CHILDREN ACT OF 1994 - ENVIRONMENTAL TOBACCO SMOKE

This act requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, early childhood development services, education or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan or loan guarantee. The law also applies to children's services that are provided in indoor facilities that are constructed, operated, or maintained with such federal funds. The law does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment service providers whose sole source of applicable Federal funds is Medicare or Medicaid; or facilities where WIC coupons are redeemed. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1,000 for each violation and/or the imposition of an administrative compliance order on the responsible entity. If applicable, the grantee is to sign a certification indicating that the agency/organization will comply with the requirements of the Act and will not allow smoking within any portion of any indoor facility used for the provision of services for children as defined by the Act.

Suggested Audit Procedures

Determine if the grantee is in compliance with the Pro-Children Act of 1994 and a certification has been signed and is on file in the agency's office.

**SPECIFIC STATE REQUIREMENTS**

**I. PROGRAM OBJECTIVES**

The objective of the SIDS Assistance Act Program is to establish a SIDS Resource Center to provide Statewide services to families of SIDS victims and potential SIDS victims, including the following components:

A 24- hour telephone hotline for referrals and information about SIDS cases.

An educational program for the public and for professionals who may be involved in SIDS cases.

A system to coordinate or provide local support programs and referral services for families of SIDS victims.

Function as a technical advisory center concerning SIDS services, research and any other SIDS related activities in the State.

## **II. PROGRAM PROCEDURES**

State funds are provided to the MCH Services - Child Health Program for the purpose of assuring the establishment of a SIDS Resource Center based at a State medical school, which will meet all the requirements specified in the entitling legislation:

Initially, a Request for Proposal (RFP) defining all the required components will be published. All grant proposals will be reviewed by a Committee including department staff and consultants from appropriate groups.

A grant of all appropriated funds will be awarded directly to the chosen medical school.

Subsequent renewals will be noncompetitive based on performance of the grantee. Performance monitoring will be done by the program quarterly.

## **III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES**

### **A. TYPES OF SERVICES ALLOWED OR UNALLOWED**

#### Compliance Requirement

Funding is provided for activities specific to families of SIDS cases or potential SIDS victims, which will include the following support services:

A 24-hour telephone hotline.

A system of referrals.

An educational program for the public and for health professionals.

Coordination of counseling services with appropriate nursing and professional agencies.

Coordination of services with the State Medical Examiner.

#### Suggested Audit Procedures

- \* Program staff monitor grant through site visits and written progress reports;
- \* Fiscal monitoring to insure that funds were spent to support activities approved in the Attachment C of the grant.

### **B. ELIGIBILITY**

#### Compliance Requirement

Families of SIDS cases or potential SIDS victims who are residents of the State are eligible for grant services. Educational programs for the public concerning SIDS and for professionals involved in providing services to SIDS families and potential SIDS victims.

Suggested Audit Procedures

- \* Program monitoring, review of reports provided by the Center.

**C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING REQUIREMENTS**

There are no matching, level of effort, or earmarking requirements. The center is encouraged to supplement projects using funds from other sources. Funds from this grant may be spent only for SIDS related activities.

**D. REPORTING REQUIREMENTS**

Compliance Requirement

Required reports include:

SIDS Services Quarterly Report

SIDS Summary Form

Progress Reports

Suggested Audit Procedures

- \* Quarterly review of reports by program staff.

**E. SPECIAL TESTS AND PROVISIONS**

None

**New Jersey Department of Health and Senior Services**

**GRANT COMPLIANCE REQUIREMENTS**

Grant Title: Services to Victims of Huntington's Disease

Account Number: 100 046 4220 104

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**I. GENERAL STATE REQUIREMENTS**

The following administrative requirements are applicable to the various types of agencies, which receive grant funds from the Department of Health and Senior Services.

**A. COMPLIANCE REQUIREMENTS**

**1. POLITICAL ACTIVITY**

Grant funds cannot be used for partisan political activity of any kind by any person or organization involved in the administration of state or federally-assisted programs. Hatch Act (5 U.S.C. 1501-1508) and Intergovernmental Personnel Act of 1970 as amended by Title VI of Civil Service Reform Act (P.L. 95-454 Section 4728).

Suggested Audit Procedures

Test the expenditure and related records for indications of lobbying activities, publications, or other materials intended for influencing legislation or similar type costs.

Test the personnel and payroll records, and identify persons whose responsibilities or activities include political activity.

Test whether the above costs, if any exist, are charged directly or indirectly, to Grants.

**2. DAVIS-BACON ACT**

When required by the grant program legislation, all laborers and mechanics employed by contractors or subcontractors to work on construction projects must be paid wages not less than those established for the locality of the project by the Secretary of Labor.

(40 Stat. 1491, Mar 3, 1921, Chap. 411, 40 U.S.C. 276A-276A-5).

Suggested Audit Procedures

Identify the programs involving construction activities.

Review selected construction contracts and subcontracts and determine whether they contain provisions requiring the payment of "prevailing" wages.

Review the grantee's system for monitoring applicable contractors and subcontractors with respect to payment of prevailing wages and evaluate for adequacy.

Review the monitoring system for contracts for selected programs and determine whether there is adherence to the prescribed procedures.

For grantee's which have not developed a system, or whose system is not operating effectively:

- Obtain payroll lists from contractors and review wages paid.
- Determine whether wages paid conform to the prevailing wages.

### 3. CIVIL RIGHTS

No person shall, on the grounds of race, color, national origin, age, or handicap, be excluded from participation in or be subjected to discrimination in any program or activity funded, in whole or in part, by grant funds. Discrimination on the basis of sex or religion is also prohibited in some programs. (Age-42 U.S.C. 6101 et. seq.; Race-42 U.S.C. 2000d; Handicap-29 U.S.C. 794.)

#### Suggested Audit Procedures

Determine whether the grantee has announced a formal policy of nondiscrimination.

For recipients employing 15 or more persons, ascertain whether a person has been designated to oversee civil rights compliance.

Ascertain from the grant agreement whether any of the programs contain prohibitions against discrimination on the basis of sex or religion.

Ascertain the number of complaints filed with federal, state and/or local agencies responsible for ensuring nondiscrimination in government programs during the fiscal year, the status of unresolved complaints or investigations, and the actions taken on resolved complaints or completed investigations.

Ascertain whether any of the programs contain prohibitions against discrimination in employment; for those programs (1) review the annual report filed with the Equal Employment Opportunity Commission (EEOC), if any, and (2) ascertain the number of complaints filed during the fiscal year, the status of unresolved complaints and investigations, and the actions taken on resolved complaints or completed investigations.

Determine whether facilities financed by grant funds that are required to be located in a nondiscriminatory manner are so located.

Obtain representation and/or attorney letters to determine if any civil rights suits have been adjudicated or are pending.

### 4. AMERICANS WITH DISABILITIES ACT OF 1990

Any Program or activity funded, in whole or in part, by State and/or Federal Funds is subject to the Americans with Disabilities Act of 1990. Title II of the Americans with Disabilities Act (ADA) provides that "no qualified individual with a disability shall, by reason of such disability, be excluded from participation in or be denied the benefits of the services, programs, or activities of a public entity, or be subjected to discrimination by such entity." 42 U.S.C., 12132 et. seq.

#### Suggested Audit Procedures

Determine if the Grantee is in compliance with the Americans with Disabilities Act of 1990.

5. DEBARMENT AND SUSPENSION

Federal Executive Order 12549 "Debarment and Suspension," and State Executive Order 34/1976 state that a grantee may not be eligible for an award funded by Department appropriations if the agency, its key employees or subgrantees have been debarred from Federal Procurement and Non-Procurement programs.

Suggested Audit Procedures

Verify that the grantee, its key employees or subgrantees have not been debarred from State or Federal Procurement and Non-Procurement Programs.

6. LOBBYING

Section 319 of Federal Public Law 101-121 prohibits recipients of contracts, grants and loans from using appropriated funds for lobbying the Executive or Legislative Branches of Government in connection with a specific contract, grant or loan. Section 319 also requires that each person who requests or receives a contract, grant, cooperative agreement, loan or a commitment to insure or guarantee a loan, must disclose lobbying activities.

Suggested Audit Procedures

Verify that funds have not been used for lobbying activities as stated in Section 1352 of Public Law 101-121.

Verify that the Standard Form-LLL, "Disclosure Form to Report Lobbying" was completed indicating to whom payments were made, how much money was involved and the type of work involved. Verify that the standard form was submitted to the Granting Agency to disclose activities pursuant to 31 U.S.C. 1352.

7. GRANTEE'S TERMS & CONDITIONS FOR ADMINISTRATION OF GRANTS

Administrative and financial requirements stated in this manual are applicable to all agencies, which receive grant funds from the Department.

Suggested Audit Procedures

Determine if the grantee is in compliance with laws, regulations and administrative and financial requirements and funds have been applied efficiently, economically and effectively.

8. FEDERAL FINANCIAL REPORTS

Most programs require the periodic submission of financial reports that fall within one or more of the following categories. The specific requirement for each grant program is presented in Attachment A of the Grant and the appropriate sub-part of the Terms and Conditions for the Administration of Grants for that program. The suggested audit procedures are provided below to facilitate the requirement for the auditor to comment on completeness and accuracy.

- a. Subpart R of the Terms and Conditions lists required financial reports that apply to most of the programs described in this document.
- b. Subpart F and G of the Terms and Conditions list cash management and payments requirements.



Suggested Audit Procedures

Review the procedures for preparing the financial reports and evaluate for adequacy.

Trace data to the supporting documentation, i.e., worksheets, ledgers, etc.

Review adjustments made to the general ledger amounts in the report affecting programs and evaluate for propriety.

9. LOCAL/STATE FIRE AND SAFETY CODES

Suggested Audit Procedures

Verify that the grantee's Local/State Fire and Safety Codes are in accordance to the uniform Fire Safety Act, NJAC 518, related statute NJSA 52, code 27-D-1-9-2.

10. PRO-CHILDREN ACT OF 1994 - ENVIRONMENTAL TOBACCO SMOKE

This act requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, early childhood development services, education or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan or loan guarantee. The law also applies to children's services that are provided in indoor facilities that are constructed, operated, or maintained with such federal funds. The law does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment service providers whose sole source of applicable Federal funds is Medicare or Medicaid; or facilities where WIC coupons are redeemed. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1,000 for each violation and/or the imposition of an administrative compliance order on the responsible entity. If applicable, the grantee is to sign a certification indicating that the agency/organization will comply with the requirements of the Act and will not allow smoking within any portion of any indoor facility used for the provision of services for children as defined by the Act.

Suggested Audit Procedures

Determine if the grantee is in compliance with the Pro-Children Act of 1994 and a certification has been signed and is on file in the agency's office.

**SPECIFIC STATE REQUIREMENTS**

**I. PROGRAM OBJECTIVES**

To improve the quality of health care provided to persons with, or at risk of, Huntington's Disease and their families.

Refer to Attachment C of each grant award for additional specific objectives.

**II. PROGRAM PROCEDURES**

Funds are provided to grantees upon the submission of an application for health service grant to provide specialized services to persons with, or at risk of, Huntington's Disease and their families. Applications are reviewed and funding is recommended to the Department upon availability of funds.

### III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

#### A. TYPES OF SERVICES ALLOWED OR UNALLOWED

##### Compliance Requirement

Funding is to be used in accordance with the provisions of Attachment C.

##### Suggested Audit Procedures

- \* Quarterly and annual progress reports are to be submitted to the Gerontology Program and are to consist of programmatic and statistical data. Periodic site visits are to be conducted by the Public health Consultant II, (Nursing).

#### B. ELIGIBILITY

##### Compliance Requirement

This program is open to persons with or at risk of, Huntington's Disease and their families. Refer to Attachment C for additional eligibility requirements.

##### Suggested Audit Procedures

- \* Review procedures for determining who obtains services and evaluate for adequacy.

#### C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING REQUIREMENTS

##### Compliance Requirement

See grant agreement.

##### Suggested Audit Procedures

- \* Review grant agreement to ensure compliance.

#### D. REPORTING REQUIREMENTS

##### Compliance Requirement

Quarterly financial and performance reports.

Annual progress reports.

##### Suggested Audit Procedures

- \* Review and evaluate the annual progress and the quarterly progress reports. Conduct site visits to review the documentation in the records of available and unavailable service, as well as compliance. Determine if reports were submitted on a timely basis.

**E. SPECIAL TESTS AND PROVISIONS**

Compliance Requirement

See grant agreement.

Suggested Audit Procedures

- \* Review grant agreement for compliance.

**New Jersey Department of Health and Senior Services**

**GRANT COMPLIANCE REQUIREMENTS**

Grant Title: Expansion of Primary Care Services to the Uninsured by Federally Qualified Health Centers

Account Number: 100 046 4220 208

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**I. GENERAL STATE REQUIREMENTS**

The following administrative requirements are applicable to the various types of agencies, which receive grant funds from the Department of Health and Senior Services.

**A. COMPLIANCE REQUIREMENTS**

**1. POLITICAL ACTIVITY**

Grant funds cannot be used for partisan political activity of any kind by any person or organization involved in the administration of state or federally-assisted programs. Hatch Act (5 U.S.C. 1501-1508) and Intergovernmental Personnel Act of 1970 as amended by Title VI of Civil Service Reform Act (P.L. 95-454 Section 4728).

Suggested Audit Procedures

Test the expenditure and related records for indications of lobbying activities, publications, or other materials intended for influencing legislation or similar type costs.

Test the personnel and payroll records, and identify persons whose responsibilities or activities include political activity.

Test whether the above costs, if any exist, are charged directly or indirectly, to Grants.

**2. DAVIS-BACON ACT**

When required by the grant program legislation, all laborers and mechanics employed by contractors or subcontractors to work on construction projects must be paid wages not less than those established for the locality of the project by the Secretary of Labor.

(40 Stat. 1491, Mar 3, 1921, Chap. 411, 40 U.S.C. 276A-276A-5).

Suggested Audit Procedures

Identify the programs involving construction activities.

Review selected construction contracts and subcontracts and determine whether they contain provisions requiring the payment of "prevailing" wages.

Review the grantee's system for monitoring applicable contractors and subcontractors with respect to payment of prevailing wages and evaluate for adequacy.

Review the monitoring system for contracts for selected programs and determine whether there is adherence to the prescribed procedures.

For grantee's which have not developed a system, or whose system is not operating effectively:

- Obtain payroll lists from contractors and review wages paid.
- Determine whether wages paid conform to the prevailing wages.

### 3. CIVIL RIGHTS

No person shall, on the grounds of race, color, national origin, age, or handicap, be excluded from participation in or be subjected to discrimination in any program or activity funded, in whole or in part, by grant funds. Discrimination on the basis of sex or religion is also prohibited in some programs. (Age-42 U.S.C. 6101 et. seq.; Race-42 U.S.C. 2000d; Handicap-29 U.S.C. 794.)

#### Suggested Audit Procedures

Determine whether the grantee has announced a formal policy of nondiscrimination.

For recipients employing 15 or more persons, ascertain whether a person has been designated to oversee civil rights compliance.

Ascertain from the grant agreement whether any of the programs contain prohibitions against discrimination on the basis of sex or religion.

Ascertain the number of complaints filed with federal, state and/or local agencies responsible for ensuring nondiscrimination in government programs during the fiscal year, the status of unresolved complaints or investigations, and the actions taken on resolved complaints or completed investigations.

Ascertain whether any of the programs contain prohibitions against discrimination in employment; for those programs (1) review the annual report filed with the Equal Employment Opportunity Commission (EEOC), if any, and (2) ascertain the number of complaints filed during the fiscal year, the status of unresolved complaints and investigations, and the actions taken on resolved complaints or completed investigations.

Determine whether facilities financed by grant funds that are required to be located in a nondiscriminatory manner are so located.

Obtain representation and/or attorney letters to determine if any civil rights suits have been adjudicated or are pending.

### 4. AMERICANS WITH DISABILITIES ACT OF 1990

Any Program or activity funded, in whole or in part, by State and/or Federal Funds is subject to the Americans with Disabilities Act of 1990. Title II of the Americans with Disabilities Act (ADA) provides that "no qualified individual with a disability shall, by reason of such disability, be excluded from participation in or be denied the benefits of the services, programs, or activities of a public entity, or be subjected to discrimination by such entity." 42 U.S.C., 12132 et. seq.

#### Suggested Audit Procedures

Determine if the Grantee is in compliance with the Americans with Disabilities Act of 1990.

5. DEBARMENT AND SUSPENSION

Federal Executive Order 12549 "Debarment and Suspension," and State Executive Order 34/1976 state that a grantee may not be eligible for an award funded by Department appropriations if the agency, its key employees or subgrantees have been debarred from Federal Procurement and Non-Procurement programs.

Suggested Audit Procedures

Verify that the grantee, its key employees or subgrantees have not been debarred from State or Federal Procurement and Non-Procurement Programs.

6. LOBBYING

Section 319 of Federal Public Law 101-121 prohibits recipients of contracts, grants and loans from using appropriated funds for lobbying the Executive or Legislative Branches of Government in connection with a specific contract, grant or loan. Section 319 also requires that each person who requests or receives a contract, grant, cooperative agreement, loan or a commitment to insure or guarantee a loan, must disclose lobbying activities.

Suggested Audit Procedures

Verify that funds have not been used for lobbying activities as stated in Section 1352 of Public Law 101-121.

Verify that the Standard Form-LLL, "Disclosure Form to Report Lobbying" was completed indicating to whom payments were made, how much money was involved and the type of work involved. Verify that the standard form was submitted to the Granting Agency to disclose activities pursuant to 31 U.S.C. 1352.

7. GRANTEE'S TERMS & CONDITIONS FOR ADMINISTRATION OF GRANTS

Administrative and financial requirements stated in this manual are applicable to all agencies, which receive grant funds from the Department.

Suggested Audit Procedures

Determine if the grantee is in compliance with laws, regulations and administrative and financial requirements and funds have been applied efficiently, economically and effectively.

8. FEDERAL FINANCIAL REPORTS

Most programs require the periodic submission of financial reports that fall within one or more of the following categories. The specific requirement for each grant program is presented in Attachment A of the Grant and the appropriate sub-part of the Terms and Conditions for the Administration of Grants for that program. The suggested audit procedures are provided below to facilitate the requirement for the auditor to comment on completeness and accuracy.

- a. Subpart R of the Terms and Conditions lists required financial reports that apply to most of the programs described in this document.
- b. Subpart F and G of the Terms and Conditions list cash management and payments requirements.

Suggested Audit Procedures

Review the procedures for preparing the financial reports and evaluate for adequacy.

Trace data to the supporting documentation, i.e., worksheets, ledgers, etc.

Review adjustments made to the general ledger amounts in the report affecting programs and evaluate for propriety.

9. LOCAL/STATE FIRE AND SAFETY CODES

Suggested Audit Procedures

Verify that the grantee's Local/State Fire and Safety Codes are in accordance to the uniform Fire Safety Act, NJAC 518, related statute NJSA 52, code 27-D-1-9-2.

10. PRO-CHILDREN ACT OF 1994 - ENVIRONMENTAL TOBACCO SMOKE

This act requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, early childhood development services, education or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan or loan guarantee. The law also applies to children's services that are provided in indoor facilities that are constructed, operated, or maintained with such federal funds. The law does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment service providers whose sole source of applicable Federal funds is Medicare or Medicaid; or facilities where WIC coupons are redeemed. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1,000 for each violation and/or the imposition of an administrative compliance order on the responsible entity. If applicable, the grantee is to sign a certification indicating that the agency/organization will comply with the requirements of the Act and will not allow smoking within any portion of any indoor facility used for the provision of services for children as defined by the Act.

Suggested Audit Procedures

Determine if the grantee is in compliance with the Pro-Children Act of 1994 and a certification has been signed and is on file in the agency's office.

**SPECIFIC STATE REQUIREMENTS**

**I. PROGRAM OBJECTIVES**

To enable Federally Qualified Health Centers (FQHCs) increase availability and access to primary care services through expanded evening and weekend hours of operation, and to enhance and advertise primary health care services at FQHCs as an alternative to hospital emergency rooms.

**II. PROGRAM PROCEDURES**

Applications for health service grants are reviewed through a request for application procedure.

Proposals are reviewed for ability to meet the Program objectives, provide quality services to additional uninsured patients, measure improvements in health care service delivery, and demonstrate a commitment to coordinating service delivery with existing public and private providers in the area.

### **III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES**

#### **A. TYPES OF SERVICES ALLOWED OR UNALLOWED**

##### Compliance Requirement

Moneys cannot be expended for activities other than those outlined in Attachment C of the Notice of Grant Award. Suggested Audit Procedures

##### Suggested Audit Procedures

- \* Review reports and related records;
- \* Review Attachment C of the Notice of Grant Award.

#### **B. ELIGIBILITY**

##### Compliance Requirement

Agencies eligible to apply for the funds are community health centers funded under Section 329, 330 or 340 of the "Public Health Service Act", (42 U.S.C. S.254B, 254C) who are automatically designated FQHCs or other community health centers which have been designated as FQHCs by the Health Care Financing Administration (HCFA) in the United States Public Health Service.

##### Suggested Audit Procedures

- \* Verify FQHCs eligibility with the agency.

#### **C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING REQUIREMENTS**

##### Compliance Requirement

See grant agreement.

##### Suggested Audit Procedures

- \* Review grant agreement to ensure compliance.

#### **D. REPORTING REQUIREMENTS**

##### Compliance Requirement

Quarterly and annual progress reports consisting of programmatic and statistical data.



Suggested Audit Procedures

- \* Reports should be submitted in a timely manner;
- \* Review and test for accuracy of reports.

**E. SPECIAL TESTS AND PROVISIONS**

Compliance Requirement

Attachment C (Program Specifications) includes special provisions. For example, appropriate Health Professional Shortage Area designations must be completed for each FQHC's service area.

Suggested Audit Procedures

- \* Determine whether provisions in Attachment C to the Grant Award have been met.

**New Jersey Department of Health and Senior Services**

**GRANT COMPLIANCE REQUIREMENTS**

Grant Title: Emergency Medical Services

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Account Number: 100 046 4220 316

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**I. GENERAL STATE REQUIREMENTS**

The following administrative requirements are applicable to the various types of agencies, which receive grant funds from the Department of Health and Senior Services.

**A. COMPLIANCE REQUIREMENTS**

**1. POLITICAL ACTIVITY**

Grant funds cannot be used for partisan political activity of any kind by any person or organization involved in the administration of state or federally-assisted programs. Hatch Act (5 U.S.C. 1501-1508) and Intergovernmental Personnel Act of 1970 as amended by Title VI of Civil Service Reform Act (P.L. 95-454 Section 4728).

Suggested Audit Procedures

Test the expenditure and related records for indications of lobbying activities, publications, or other materials intended for influencing legislation or similar type costs.

Test the personnel and payroll records, and identify persons whose responsibilities or activities include political activity.

Test whether the above costs, if any exist, are charged directly or indirectly, to Grants.

**2. DAVIS-BACON ACT**

When required by the grant program legislation, all laborers and mechanics employed by contractors or subcontractors to work on construction projects must be paid wages not less than those established for the locality of the project by the Secretary of Labor.

(40 Stat. 1491, Mar 3, 1921, Chap. 411, 40 U.S.C. 276A-276A-5).

Suggested Audit Procedures

Identify the programs involving construction activities.

Review selected construction contracts and subcontracts and determine whether they contain provisions requiring the payment of "prevailing" wages.

Review the grantee's system for monitoring applicable contractors and subcontractors with respect to payment of prevailing wages and evaluate for adequacy.

Review the monitoring system for contracts for selected programs and determine whether there is adherence to the prescribed procedures.

For grantee's which have not developed a system, or whose system is not operating effectively:

- Obtain payroll lists from contractors and review wages paid.
- Determine whether wages paid conform to the prevailing wages.

### 3. CIVIL RIGHTS

No person shall, on the grounds of race, color, national origin, age, or handicap, be excluded from participation in or be subjected to discrimination in any program or activity funded, in whole or in part, by grant funds. Discrimination on the basis of sex or religion is also prohibited in some programs. (Age-42 U.S.C. 6101 et. seq.; Race-42 U.S.C. 2000d; Handicap-29 U.S.C. 794.)

#### Suggested Audit Procedures

Determine whether the grantee has announced a formal policy of nondiscrimination.

For recipients employing 15 or more persons, ascertain whether a person has been designated to oversee civil rights compliance.

Ascertain from the grant agreement whether any of the programs contain prohibitions against discrimination on the basis of sex or religion.

Ascertain the number of complaints filed with federal, state and/or local agencies responsible for ensuring nondiscrimination in government programs during the fiscal year, the status of unresolved complaints or investigations, and the actions taken on resolved complaints or completed investigations.

Ascertain whether any of the programs contain prohibitions against discrimination in employment; for those programs (1) review the annual report filed with the Equal Employment Opportunity Commission (EEOC), if any, and (2) ascertain the number of complaints filed during the fiscal year, the status of unresolved complaints and investigations, and the actions taken on resolved complaints or completed investigations.

Determine whether facilities financed by grant funds that are required to be located in a nondiscriminatory manner are so located.

Obtain representation and/or attorney letters to determine if any civil rights suits have been adjudicated or are pending.

### 4. AMERICANS WITH DISABILITIES ACT OF 1990

Any Program or activity funded, in whole or in part, by State and/or Federal Funds is subject to the Americans with Disabilities Act of 1990. Title II of the Americans with Disabilities Act (ADA) provides that "no qualified individual with a disability shall, by reason of such disability, be excluded from participation in or be denied the benefits of the services, programs, or activities of a public entity, or be subjected to discrimination by such entity." 42 U.S.C., 12132 et. seq.

#### Suggested Audit Procedures

Determine if the Grantee is in compliance with the Americans with Disabilities Act of 1990.

5. DEBARMENT AND SUSPENSION

Federal Executive Order 12549 "Debarment and Suspension," and State Executive Order 34/1976 state that a grantee may not be eligible for an award funded by Department appropriations if the agency, its key employees or subgrantees have been debarred from Federal Procurement and Non-Procurement programs.

Suggested Audit Procedures

Verify that the grantee, its key employees or subgrantees have not been debarred from State or Federal Procurement and Non-Procurement Programs.

6. LOBBYING

Section 319 of Federal Public Law 101-121 prohibits recipients of contracts, grants and loans from using appropriated funds for lobbying the Executive or Legislative Branches of Government in connection with a specific contract, grant or loan. Section 319 also requires that each person who requests or receives a contract, grant, cooperative agreement, loan or a commitment to insure or guarantee a loan, must disclose lobbying activities.

Suggested Audit Procedures

Verify that funds have not been used for lobbying activities as stated in Section 1352 of Public Law 101-121.

Verify that the Standard Form-LLL, "Disclosure Form to Report Lobbying" was completed indicating to whom payments were made, how much money was involved and the type of work involved. Verify that the standard form was submitted to the Granting Agency to disclose activities pursuant to 31 U.S.C. 1352.

7. GRANTEE'S TERMS & CONDITIONS FOR ADMINISTRATION OF GRANTS

Administrative and financial requirements stated in this manual are applicable to all agencies, which receive grant funds from the Department.

Suggested Audit Procedures

Determine if the grantee is in compliance with laws, regulations and administrative and financial requirements and funds have been applied efficiently, economically and effectively.

8. FEDERAL FINANCIAL REPORTS

Most programs require the periodic submission of financial reports that fall within one or more of the following categories. The specific requirement for each grant program is presented in Attachment A of the Grant and the appropriate sub-part of the Terms and Conditions for the Administration of Grants for that program. The suggested audit procedures are provided below to facilitate the requirement for the auditor to comment on completeness and accuracy.

- a. Subpart R of the Terms and Conditions lists required financial reports that apply to most of the programs described in this document.
- b. Subpart F and G of the Terms and Conditions list cash management and payments requirements.

Suggested Audit Procedures

Review the procedures for preparing the financial reports and evaluate for adequacy.

Trace data to the supporting documentation, i.e., worksheets, ledgers, etc.

Review adjustments made to the general ledger amounts in the report affecting programs and evaluate for propriety.

9. LOCAL/STATE FIRE AND SAFETY CODES

Suggested Audit Procedures

Verify that the grantee's Local/State Fire and Safety Codes are in accordance to the uniform Fire Safety Act, NJAC 518, related statute NJSA 52, code 27-D-1-9-2.

10. PRO-CHILDREN ACT OF 1994 - ENVIRONMENTAL TOBACCO SMOKE

This act requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, early childhood development services, education or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan or loan guarantee. The law also applies to children's services that are provided in indoor facilities that are constructed, operated, or maintained with such federal funds. The law does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment service providers whose sole source of applicable Federal funds is Medicare or Medicaid; or facilities where WIC coupons are redeemed. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1,000 for each violation and/or the imposition of an administrative compliance order on the responsible entity. If applicable, the grantee is to sign a certification indicating that the agency/organization will comply with the requirements of the Act and will not allow smoking within any portion of any indoor facility used for the provision of services for children as defined by the Act.

Suggested Audit Procedures

Determine if the grantee is in compliance with the Pro-Children Act of 1994 and a certification has been signed and is on file in the agency's office.

**SPECIFIC STATE REQUIREMENTS**

**I. PROGRAM OBJECTIVES**

The objective of the Emergency Medical Services Program is to develop and implement a quality EMT-Intermediate Program in the State of New Jersey in compliance with P.L. 1985 Chapter 351 and the guidelines of the OEmHS. The program objectives must meet all the objectives of the Federal Department of Transportation EMT-Intermediate Curriculum.

**II. PROGRAM PROCEDURES**

Program funds are distributed to agency/ies based on an Application for Health Services Grant completed on an annual basis.

### III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

#### A. TYPES OF SERVICES ALLOWED OR UNALLOWED

##### Compliance Requirement

The approval to conduct a didactic program and coordinate the EMT-I program will be awarded to "project programs". These project programs must submit a proposal to the OEmHS including:

Description of their training structure (including content, hours, facility)

Timetable for implementation

Budget

Personnel

Each "project program" will admit students based on the OEmHS Student Selection Policy. The students will be provided the cognitive and psychomotor skills to meet the program objectives sufficient to pass the State certifying examination. Skills to be taught must include:

Review of basic EMT skills

Pneumatic antishock garment

Intravenous therapy

Cardiac monitoring

Venipuncture specimens

Esophageal obturator airway insertion

Defibrillation

The "project team" will coordinate clinical (not less than 20 hours) experience and field (not less than 40 hours) experience. All project programs must adhere to OEmHS EMT-Intermediate policies and are subject to audits by OEmHS of programs and records or EMT-Intermediate activities.

##### Suggested Audit Procedures

- \* The "project programs" didactic programs will be audited by OEmHS staff. Effectiveness and success of the "project program" will be determined by review of certification examinations (written and practical) and student evaluation. Further success of the program will be ascertained through patient report forms, audits, medical control reviews, and review of clinical training records.

#### B. ELIGIBILITY

##### Compliance Requirement

"Project Programs" will be selected based on close proximity to the rural counties of Warren, Sussex, Hunterdon, Cumberland and Salem. The "Project Program" must be willing to locate the training site in an area that best meets the needs of the program and encourages student participation. The "Project Program" must submit a list of qualified faculty with their outline of lecture sessions, audiovisuals, and skill practice sessions. Textbooks for the course must be approved by OEmHS prior to use in EMT-I training. Skill laboratory sessions must provide an instructor/student ratio of 6-1.

Suggested Audit Procedures

- \* The OEmHS will review the proposals submitted by each potential "Project Program". Ability to provide a quality EMT-I program and willingness to operate within the confines of the OEmHS policies must be demonstrated. The history of the "Project Programs" MICU audits and inspections and clinical training experience will be reviewed. A record of quality and commitment to prehospital care must have been demonstrated in their program.

**C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING REQUIREMENTS**

None

**D. REPORTING REQUIREMENTS**

Compliance Requirement

The "Project Program" will periodically update OEmHS of the overall student averages and problem areas as they occur during the didactic portion of the program.

The clinical experience must be conducted at an approved participating EMT-I hospital and will be conducted under the supervision of preceptors at these institutions. The preceptors will complete clinical evaluations of each student's performance.

The field experience must be conducted in a mobile intensive care program that is approved by the OEmHS for this additional clinical training. Each Student will be required to complete a practice EMT-I Patient Report form and supplemental form on each call they participate on. The field preceptor will complete an evaluation of each student's field experience.

Suggested Audit Procedures

- \* The "Project Program" will administer exams through the didactic training. The Office of Emergency Health Services will review the examination results and discuss any potential problem areas with the "Project Program" coordinator.
- \* Reports in clinical and field experience will be made available to OEmHS for review. Problem areas will be discussed with the EMT-I participating hospital and the "Project Program".

**E. SPECIAL TESTS AND PROVISIONS**

Compliance Requirement

In addition to the examinations administered during the didactic program, the "Project Program" must prepare each student to successfully complete the National Registry Examination for EMT-Intermediates and the New Jersey EMT Defibrillator Examination, which are the New Jersey State certification examinations.

Suggested Audit Procedures

The State certification examination results will be reviewed for each of the following categories:

- \* Individual candidate
- \* Didactic program
- \* Participating hospital
- \* Statewide

Review of this data will be utilized by the OEmHS to make recommendations or changes in future EMT-Intermediate, curriculum, or course sites.



**New Jersey Department of Health and Senior Services**

**GRANT COMPLIANCE REQUIREMENTS**

Grant Title: New Jersey Emergency Medical Services Helicopter Response Program

Account Number: 100 046 4220 326

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**I. GENERAL STATE REQUIREMENTS**

The following administrative requirements are applicable to the various types of agencies, which receive grant funds from the Department of Health and Senior Services.

**A. COMPLIANCE REQUIREMENTS**

**1. POLITICAL ACTIVITY**

Grant funds cannot be used for partisan political activity of any kind by any person or organization involved in the administration of state or federally-assisted programs. Hatch Act (5 U.S.C. 1501-1508) and Intergovernmental Personnel Act of 1970 as amended by Title VI of Civil Service Reform Act (P.L. 95-454 Section 4728).

Suggested Audit Procedures

Test the expenditure and related records for indications of lobbying activities, publications, or other materials intended for influencing legislation or similar type costs.

Test the personnel and payroll records, and identify persons whose responsibilities or activities include political activity.

Test whether the above costs, if any exist, are charged directly or indirectly, to Grants.

**2. DAVIS-BACON ACT**

When required by the grant program legislation, all laborers and mechanics employed by contractors or subcontractors to work on construction projects must be paid wages not less than those established for the locality of the project by the Secretary of Labor.

(40 Stat. 1491, Mar 3, 1921, Chap. 411, 40 U.S.C. 276A-276A-5).

Suggested Audit Procedures

Identify the programs involving construction activities.

Review selected construction contracts and subcontracts and determine whether they contain provisions requiring the payment of "prevailing" wages.

Review the grantee's system for monitoring applicable contractors and subcontractors with respect to payment of prevailing wages and evaluate for adequacy.

Review the monitoring system for contracts for selected programs and determine whether there is adherence to the prescribed procedures.

For grantee's which have not developed a system, or whose system is not operating effectively:

- Obtain payroll lists from contractors and review wages paid.
- Determine whether wages paid conform to the prevailing wages.

3. CIVIL RIGHTS

No person shall, on the grounds of race, color, national origin, age, or handicap, be excluded from participation in or be subjected to discrimination in any program or activity funded, in whole or in part, by grant funds. Discrimination on the basis of sex or religion is also prohibited in some programs. (Age-42 U.S.C. 6101 et. seq.; Race-42 U.S.C. 2000d; Handicap-29 U.S.C. 794.)

Suggested Audit Procedures

Determine whether the grantee has announced a formal policy of nondiscrimination.

For recipients employing 15 or more persons, ascertain whether a person has been designated to oversee civil rights compliance.

Ascertain from the grant agreement whether any of the programs contain prohibitions against discrimination on the basis of sex or religion.

Ascertain the number of complaints filed with federal, state and/or local agencies responsible for ensuring nondiscrimination in government programs during the fiscal year, the status of unresolved complaints or investigations, and the actions taken on resolved complaints or completed investigations.

Ascertain whether any of the programs contain prohibitions against discrimination in employment; for those programs (1) review the annual report filed with the Equal Employment Opportunity Commission (EEOC), if any, and (2) ascertain the number of complaints filed during the fiscal year, the status of unresolved complaints and investigations, and the actions taken on resolved complaints or completed investigations.

Determine whether facilities financed by grant funds that are required to be located in a nondiscriminatory manner are so located.

Obtain representation and/or attorney letters to determine if any civil rights suits have been adjudicated or are pending.

4. AMERICANS WITH DISABILITIES ACT OF 1990

Any Program or activity funded, in whole or in part, by State and/or Federal Funds is subject to the Americans with Disabilities Act of 1990. Title II of the Americans with Disabilities Act (ADA) provides that "no qualified individual with a disability shall, by reason of such disability, be excluded from participation in or be denied the benefits of the services, programs, or activities of a public entity, or be subjected to discrimination by such entity." 42 U.S.C., 12132 et. seq.

Suggested Audit Procedures

Determine if the Grantee is in compliance with the Americans with Disabilities Act of 1990.

5. DEBARMENT AND SUSPENSION

Federal Executive Order 12549 "Debarment and Suspension," and State Executive Order 34/1976 state that a grantee may not be eligible for an award funded by Department appropriations if the agency, its key employees or subgrantees have been debarred from Federal Procurement and Non-Procurement programs.

Suggested Audit Procedures

Verify that the grantee, its key employees or subgrantees have not been debarred from State or Federal Procurement and Non-Procurement Programs.

6. LOBBYING

Section 319 of Federal Public Law 101-121 prohibits recipients of contracts, grants and loans from using appropriated funds for lobbying the Executive or Legislative Branches of Government in connection with a specific contract, grant or loan. Section 319 also requires that each person who requests or receives a contract, grant, cooperative agreement, loan or a commitment to insure or guarantee a loan, must disclose lobbying activities.

Suggested Audit Procedures

Verify that funds have not been used for lobbying activities as stated in Section 1352 of Public Law 101-121.

Verify that the Standard Form-LLL, "Disclosure Form to Report Lobbying" was completed indicating to whom payments were made, how much money was involved and the type of work involved. Verify that the standard form was submitted to the Granting Agency to disclose activities pursuant to 31 U.S.C. 1352.

7. GRANTEE'S TERMS & CONDITIONS FOR ADMINISTRATION OF GRANTS

Administrative and financial requirements stated in this manual are applicable to all agencies, which receive grant funds from the Department.

Suggested Audit Procedures

Determine if the grantee is in compliance with laws, regulations and administrative and financial requirements and funds have been applied efficiently, economically and effectively.

8. FEDERAL FINANCIAL REPORTS

Most programs require the periodic submission of financial reports that fall within one or more of the following categories. The specific requirement for each grant program is presented in Attachment A of the Grant and the appropriate sub-part of the Terms and Conditions for the Administration of Grants for that program. The suggested audit procedures are provided below to facilitate the requirement for the auditor to comment on completeness and accuracy.

- a. Subpart R of the Terms and Conditions lists required financial reports that apply to most of the programs described in this document.
- b. Subpart F and G of the Terms and Conditions list cash management and payments requirements.

Suggested Audit Procedures

Review the procedures for preparing the financial reports and evaluate for adequacy.

Trace data to the supporting documentation, i.e., worksheets, ledgers, etc.

Review adjustments made to the general ledger amounts in the report affecting programs and evaluate for propriety.

9. LOCAL/STATE FIRE AND SAFETY CODES

Suggested Audit Procedures

Verify that the grantee's Local/State Fire and Safety Codes are in accordance to the uniform Fire Safety Act, NJAC 518, related statute NJSA 52, code 27-D-1-9-2.

10. PRO-CHILDREN ACT OF 1994 - ENVIRONMENTAL TOBACCO SMOKE

This act requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, early childhood development services, education or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan or loan guarantee. The law also applies to children's services that are provided in indoor facilities that are constructed, operated, or maintained with such federal funds. The law does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment service providers whose sole source of applicable Federal funds is Medicare or Medicaid; or facilities where WIC coupons are redeemed. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1,000 for each violation and/or the imposition of an administrative compliance order on the responsible entity. If applicable, the grantee is to sign a certification indicating that the agency/organization will comply with the requirements of the Act and will not allow smoking within any portion of any indoor facility used for the provision of services for children as defined by the Act.

Suggested Audit Procedures

Determine if the grantee is in compliance with the Pro-Children Act of 1994 and a certification has been signed and is on file in the agency's office.

**SPECIFIC STATE REQUIREMENTS**

**I. PROGRAM OBJECTIVES**

The objectives of the New Jersey Emergency Medical Service Helicopter Response Program are:

Establish and operate a public sector helicopter aeromedical system in New Jersey.

Base one helicopter in northern New Jersey and one helicopter in southern New Jersey at designated hospitals.

Provide onsite and interhospital advanced life support and transportation to critically ill and injured persons.

Interface the aeromedical service with the existing basic life support, advanced life support, hospital and specialty services for optimum patient care.

## II. PROGRAM PROCEDURES

Funding for the aeromedical program is through a State appropriation to the New Jersey State Department of Health. The Department of Health is responsible for the medical component of the aeromedical system. Most of the medical component moneys are dispersed to two hospitals (one in North Jersey and one in South Jersey) that have been designated by the Commissioner of Health to deliver the day-to-day onsite medical care and to house the helicopters. The designated hospitals submit an annual grant application to the Department of Health to obtain their share of the funds and a grant is issued.

## III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

### A. TYPES OF SERVICES ALLOWED OR UNALLOWED

#### Compliance Requirement

Funds through the grant with the Department of Health are to be used by the designated hospitals for expenses necessary in delivering day-to-day medical care for the helicopter program, as outlined in the institution's grant. At this time, hospitals may not charge the patients using the helicopter.

#### Suggested Audit Procedures

- \* Review grant agreement for the applicable year, to determine which activities and expenses are allowed;

### B. ELIGIBILITY

#### Compliance Requirement

Anyone who meets the protocols for dispatching of the helicopters (including type and severity of cases to be airlifted, weather conditions and other factors) is a suitable candidate for service.

#### Suggested Audit Procedures

- \* The programs will be audited by OEMS staff for appropriate use of the helicopter. Questionable use will be explored in depth and re-education of those involved in the call will be done, if use was inappropriate.

### C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING REQUIREMENTS

#### Compliance Requirement

Match is not required. In a full year of operation, the two helicopters are expected to make a minimum of 500 total missions.

#### Suggested Audit Requirement

- \* Call sheets and periodic reports can be viewed to determine if the number of missions is keeping pace as expected.

### D. REPORTING REQUIREMENTS

Compliance Requirement

Quarterly Progress Reports are required as a stipulation of the grants. These will include information on the number and types of calls that were flown, as well as other programmatic information.

Suggested Audit Procedures

- \* Review the Quarterly Progress Reports.

**E. SPECIAL TESTS AND PROVISIONS**

Compliance Requirement

The helicopter programs should meet all requirements of P.L. 1986, Chapter 106 (the "Helicopter Act") and applicable portions of the "Manual of Standards for Licensure of Invalid Coach and Ambulance Services" (N.J.A.C. 80:40), in addition to protocols and guidelines, which may be developed by the medical directors.

Suggested Audit Procedures

- \* Test compliance with applicable law, regulations and protocols/guidelines.

**New Jersey Department of Health and Senior Services**

**GRANT COMPLIANCE REQUIREMENTS**

Grant Title: Tourette Syndrome Association of New Jersey

Account Number: 100 046 4220 335

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**I. GENERAL STATE REQUIREMENTS**

The following administrative requirements are applicable to the various types of agencies, which receive grant funds from the Department of Health and Senior Services.

**A. COMPLIANCE REQUIREMENTS**

**1. POLITICAL ACTIVITY**

Grant funds cannot be used for partisan political activity of any kind by any person or organization involved in the administration of state or federally-assisted programs. Hatch Act (5 U.S.C. 1501-1508) and Intergovernmental Personnel Act of 1970 as amended by Title VI of Civil Service Reform Act (P.L. 95-454 Section 4728).

Suggested Audit Procedures

Test the expenditure and related records for indications of lobbying activities, publications, or other materials intended for influencing legislation or similar type costs.

Test the personnel and payroll records, and identify persons whose responsibilities or activities include political activity.

Test whether the above costs, if any exist, are charged directly or indirectly, to Grants.

**2. DAVIS-BACON ACT**

When required by the grant program legislation, all laborers and mechanics employed by contractors or subcontractors to work on construction projects must be paid wages not less than those established for the locality of the project by the Secretary of Labor.

(40 Stat. 1491, Mar 3, 1921, Chap. 411, 40 U.S.C. 276A-276A-5).

Suggested Audit Procedures

Identify the programs involving construction activities.

Review selected construction contracts and subcontracts and determine whether they contain provisions requiring the payment of "prevailing" wages.

Review the grantee's system for monitoring applicable contractors and subcontractors with respect to payment of prevailing wages and evaluate for adequacy.

Review the monitoring system for contracts for selected programs and determine whether there is adherence to the prescribed procedures.

For grantee's which have not developed a system, or whose system is not operating effectively:

- Obtain payroll lists from contractors and review wages paid.
- Determine whether wages paid conform to the prevailing wages.

### 3. CIVIL RIGHTS

No person shall, on the grounds of race, color, national origin, age, or handicap, be excluded from participation in or be subjected to discrimination in any program or activity funded, in whole or in part, by grant funds. Discrimination on the basis of sex or religion is also prohibited in some programs. (Age-42 U.S.C. 6101 et. seq.; Race-42 U.S.C. 2000d; Handicap-29 U.S.C. 794.)

#### Suggested Audit Procedures

Determine whether the grantee has announced a formal policy of nondiscrimination.

For recipients employing 15 or more persons, ascertain whether a person has been designated to oversee civil rights compliance.

Ascertain from the grant agreement whether any of the programs contain prohibitions against discrimination on the basis of sex or religion.

Ascertain the number of complaints filed with federal, state and/or local agencies responsible for ensuring nondiscrimination in government programs during the fiscal year, the status of unresolved complaints or investigations, and the actions taken on resolved complaints or completed investigations.

Ascertain whether any of the programs contain prohibitions against discrimination in employment; for those programs (1) review the annual report filed with the Equal Employment Opportunity Commission (EEOC), if any, and (2) ascertain the number of complaints filed during the fiscal year, the status of unresolved complaints and investigations, and the actions taken on resolved complaints or completed investigations.

Determine whether facilities financed by grant funds that are required to be located in a nondiscriminatory manner are so located.

Obtain representation and/or attorney letters to determine if any civil rights suits have been adjudicated or are pending.

### 4. AMERICANS WITH DISABILITIES ACT OF 1990

Any Program or activity funded, in whole or in part, by State and/or Federal Funds is subject to the Americans with Disabilities Act of 1990. Title II of the Americans with Disabilities Act (ADA) provides that "no qualified individual with a disability shall, by reason of such disability, be excluded from participation in or be denied the benefits of the services, programs, or activities of a public entity, or be subjected to discrimination by such entity." 42 U.S.C., 12132 et. seq.

#### Suggested Audit Procedures

Determine if the Grantee is in compliance with the Americans with Disabilities Act of 1990.



5. DEBARMENT AND SUSPENSION

Federal Executive Order 12549 "Debarment and Suspension," and State Executive Order 34/1976 state that a grantee may not be eligible for an award funded by Department appropriations if the agency, its key employees or subgrantees have been debarred from Federal Procurement and Non-Procurement programs.

Suggested Audit Procedures

Verify that the grantee, its key employees or subgrantees have not been debarred from State or Federal Procurement and Non-Procurement Programs.

6. LOBBYING

Section 319 of Federal Public Law 101-121 prohibits recipients of contracts, grants and loans from using appropriated funds for lobbying the Executive or Legislative Branches of Government in connection with a specific contract, grant or loan. Section 319 also requires that each person who requests or receives a contract, grant, cooperative agreement, loan or a commitment to insure or guarantee a loan, must disclose lobbying activities.

Suggested Audit Procedures

Verify that funds have not been used for lobbying activities as stated in Section 1352 of Public Law 101-121.

Verify that the Standard Form-LLL, "Disclosure Form to Report Lobbying" was completed indicating to whom payments were made, how much money was involved and the type of work involved. Verify that the standard form was submitted to the Granting Agency to disclose activities pursuant to 31 U.S.C. 1352.

7. GRANTEE'S TERMS & CONDITIONS FOR ADMINISTRATION OF GRANTS

Administrative and financial requirements stated in this manual are applicable to all agencies, which receive grant funds from the Department.

Suggested Audit Procedures

Determine if the grantee is in compliance with laws, regulations and administrative and financial requirements and funds have been applied efficiently, economically and effectively.

8. FEDERAL FINANCIAL REPORTS

Most programs require the periodic submission of financial reports that fall within one or more of the following categories. The specific requirement for each grant program is presented in Attachment A of the Grant and the appropriate sub-part of the Terms and Conditions for the Administration of Grants for that program. The suggested audit procedures are provided below to facilitate the requirement for the auditor to comment on completeness and accuracy.

- a. Subpart R of the Terms and Conditions lists required financial reports that apply to most of the programs described in this document.
- b. Subpart F and G of the Terms and Conditions list cash management and payments requirements.

Suggested Audit Procedures

Review the procedures for preparing the financial reports and evaluate for adequacy.

Trace data to the supporting documentation, i.e., worksheets, ledgers, etc.

Review adjustments made to the general ledger amounts in the report affecting programs and evaluate for propriety.

9. LOCAL/STATE FIRE AND SAFETY CODES

Suggested Audit Procedures

Verify that the grantee's Local/State Fire and Safety Codes are in accordance to the uniform Fire Safety Act, NJAC 518, related statute NJSA 52, code 27-D-1-9-2.

10. PRO-CHILDREN ACT OF 1994 - ENVIRONMENTAL TOBACCO SMOKE

This act requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, early childhood development services, education or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan or loan guarantee. The law also applies to children's services that are provided in indoor facilities that are constructed, operated, or maintained with such federal funds. The law does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment service providers whose sole source of applicable Federal funds is Medicare or Medicaid; or facilities where WIC coupons are redeemed. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1,000 for each violation and/or the imposition of an administrative compliance order on the responsible entity. If applicable, the grantee is to sign a certification indicating that the agency/organization will comply with the requirements of the Act and will not allow smoking within any portion of any indoor facility used for the provision of services for children as defined by the Act.

Suggested Audit Procedures

Determine if the grantee is in compliance with the Pro-Children Act of 1994 and a certification has been signed and is on file in the agency's office.

**II. SPECIFIC STATE REQUIREMENTS**

A. Applicable Statute (or)

State Appropriations Act.

B. Applicable Federal Domestic Assistance Catalog Number

C. Program Objectives

To provide grant services pursuant to the State Appropriation Act as detailed in Attachment C of the grant award.

D. Program Procedures

The program uses a non-competitive grant application for designated agencies.

Department staff reviews the grant application to ensure legislative intent is satisfied. Those agencies that receive a grant will find details regarding the objectives, terms and conditions, and monitoring requirements with the award.

E. State Compliance Requirements

1. Types of Services Allowed or Disallowed

a. Compliance Requirements

The agency must provide the services stated in the grant award. Agency must expend funds as stated in the grant award.

b. Suggested Audit Procedures

Test records and related documents.

2. Eligibility

a. Compliance Requirements

The grantee must ensure the services and populations targeted are those that have been identified in Attachment C of the Award.

b. Suggested Audit Procedures

Test the agency's records, reports, and documents to ensure compliance with the grant award.

3. Matching, Level of Effort, and/or Allocation Requirements

a. Compliance Requirement

No match is required.

b. Suggested Audit Procedures

Not applicable

4. Reporting Requirements

a. Compliance Requirements

The grantee is to submit expenditure reports, performance reports, and progress reports to the Department at the end of each quarter as specified in the grant award.

b. Suggested Audit Procedures

In addition to complying with the Federal OMB circular A-133 and Government Auditing Standards, an audit should include both the review and test of records and reports for their accuracy, completeness, and timeliness.

5. Special Tests and Provisions

a. Compliance Requirements

None

b. Suggested Audit Procedures

N/A

**New Jersey Department of Health and Senior Services**

**GRANT COMPLIANCE REQUIREMENTS**

Grant Title: St. Barnabas - Institute of Neurology/Neuroservice

Account Number: 100 046 4220 414

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**I. GENERAL STATE REQUIREMENTS**

The following administrative requirements are applicable to the various types of agencies, which receive grant funds from the Department of Health and Senior Services.

**A. COMPLIANCE REQUIREMENTS**

**1. POLITICAL ACTIVITY**

Grant funds cannot be used for partisan political activity of any kind by any person or organization involved in the administration of state or federally-assisted programs. Hatch Act (5 U.S.C. 1501-1508) and Intergovernmental Personnel Act of 1970 as amended by Title VI of Civil Service Reform Act (P.L. 95-454 Section 4728).

Suggested Audit Procedures

Test the expenditure and related records for indications of lobbying activities, publications, or other materials intended for influencing legislation or similar type costs.

Test the personnel and payroll records, and identify persons whose responsibilities or activities include political activity.

Test whether the above costs, if any exist, are charged directly or indirectly, to Grants.

**2. DAVIS-BACON ACT**

When required by the grant program legislation, all laborers and mechanics employed by contractors or subcontractors to work on construction projects must be paid wages not less than those established for the locality of the project by the Secretary of Labor.

(40 Stat. 1491, Mar 3, 1921, Chap. 411, 40 U.S.C. 276A-276A-5).

Suggested Audit Procedures

Identify the programs involving construction activities.

Review selected construction contracts and subcontracts and determine whether they contain provisions requiring the payment of "prevailing" wages.

Review the grantee's system for monitoring applicable contractors and subcontractors with respect to payment of prevailing wages and evaluate for adequacy.

Review the monitoring system for contracts for selected programs and determine whether there is adherence to the prescribed procedures.

For grantee's which have not developed a system, or whose system is not operating effectively:

- Obtain payroll lists from contractors and review wages paid.
- Determine whether wages paid conform to the prevailing wages.

### 3. CIVIL RIGHTS

No person shall, on the grounds of race, color, national origin, age, or handicap, be excluded from participation in or be subjected to discrimination in any program or activity funded, in whole or in part, by grant funds. Discrimination on the basis of sex or religion is also prohibited in some programs. (Age-42 U.S.C. 6101 et. seq.; Race-42 U.S.C. 2000d; Handicap-29 U.S.C. 794.)

#### Suggested Audit Procedures

Determine whether the grantee has announced a formal policy of nondiscrimination.

For recipients employing 15 or more persons, ascertain whether a person has been designated to oversee civil rights compliance.

Ascertain from the grant agreement whether any of the programs contain prohibitions against discrimination on the basis of sex or religion.

Ascertain the number of complaints filed with federal, state and/or local agencies responsible for ensuring nondiscrimination in government programs during the fiscal year, the status of unresolved complaints or investigations, and the actions taken on resolved complaints or completed investigations.

Ascertain whether any of the programs contain prohibitions against discrimination in employment; for those programs (1) review the annual report filed with the Equal Employment Opportunity Commission (EEOC), if any, and (2) ascertain the number of complaints filed during the fiscal year, the status of unresolved complaints and investigations, and the actions taken on resolved complaints or completed investigations.

Determine whether facilities financed by grant funds that are required to be located in a nondiscriminatory manner are so located.

Obtain representation and/or attorney letters to determine if any civil rights suits have been adjudicated or are pending.

### 4. AMERICANS WITH DISABILITIES ACT OF 1990

Any Program or activity funded, in whole or in part, by State and/or Federal Funds is subject to the Americans with Disabilities Act of 1990. Title II of the Americans with Disabilities Act (ADA) provides that "no qualified individual with a disability shall, by reason of such disability, be excluded from participation in or be denied the benefits of the services, programs, or activities of a public entity, or be subjected to discrimination by such entity." 42 U.S.C., 12132 et. seq.

#### Suggested Audit Procedures

Determine if the Grantee is in compliance with the Americans with Disabilities Act of 1990.

5. DEBARMENT AND SUSPENSION

Federal Executive Order 12549 "Debarment and Suspension," and State Executive Order 34/1976 state that a grantee may not be eligible for an award funded by Department appropriations if the agency, its key employees or subgrantees have been debarred from Federal Procurement and Non-Procurement programs.

Suggested Audit Procedures

Verify that the grantee, its key employees or subgrantees have not been debarred from State or Federal Procurement and Non-Procurement Programs.

6. LOBBYING

Section 319 of Federal Public Law 101-121 prohibits recipients of contracts, grants and loans from using appropriated funds for lobbying the Executive or Legislative Branches of Government in connection with a specific contract, grant or loan. Section 319 also requires that each person who requests or receives a contract, grant, cooperative agreement, loan or a commitment to insure or guarantee a loan, must disclose lobbying activities.

Suggested Audit Procedures

Verify that funds have not been used for lobbying activities as stated in Section 1352 of Public Law 101-121.

Verify that the Standard Form-LLL, "Disclosure Form to Report Lobbying" was completed indicating to whom payments were made, how much money was involved and the type of work involved. Verify that the standard form was submitted to the Granting Agency to disclose activities pursuant to 31 U.S.C. 1352.

7. GRANTEE'S TERMS & CONDITIONS FOR ADMINISTRATION OF GRANTS

Administrative and financial requirements stated in this manual are applicable to all agencies, which receive grant funds from the Department.

Suggested Audit Procedures

Determine if the grantee is in compliance with laws, regulations and administrative and financial requirements and funds have been applied efficiently, economically and effectively.

8. FEDERAL FINANCIAL REPORTS

Most programs require the periodic submission of financial reports that fall within one or more of the following categories. The specific requirement for each grant program is presented in Attachment A of the Grant and the appropriate sub-part of the Terms and Conditions for the Administration of Grants for that program. The suggested audit procedures are provided below to facilitate the requirement for the auditor to comment on completeness and accuracy.

- a. Subpart R of the Terms and Conditions lists required financial reports that apply to most of the programs described in this document.
- b. Subpart F and G of the Terms and Conditions list cash management and payments requirements.

Suggested Audit Procedures

Review the procedures for preparing the financial reports and evaluate for adequacy.

Trace data to the supporting documentation, i.e., worksheets, ledgers, etc.

Review adjustments made to the general ledger amounts in the report affecting programs and evaluate for propriety.

9. LOCAL/STATE FIRE AND SAFETY CODES

Suggested Audit Procedures

Verify that the grantee's Local/State Fire and Safety Codes are in accordance to the uniform Fire Safety Act, NJAC 518, related statute NJSA 52, code 27-D-1-9-2.

10. PRO-CHILDREN ACT OF 1994 - ENVIRONMENTAL TOBACCO SMOKE

This act requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, early childhood development services, education or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan or loan guarantee. The law also applies to children's services that are provided in indoor facilities that are constructed, operated, or maintained with such federal funds. The law does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment service providers whose sole source of applicable Federal funds is Medicare or Medicaid; or facilities where WIC coupons are redeemed. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1,000 for each violation and/or the imposition of an administrative compliance order on the responsible entity. If applicable, the grantee is to sign a certification indicating that the agency/organization will comply with the requirements of the Act and will not allow smoking within any portion of any indoor facility used for the provision of services for children as defined by the Act.

Suggested Audit Procedures

Determine if the grantee is in compliance with the Pro-Children Act of 1994 and a certification has been signed and is on file in the agency's office.

**II. SPECIFIC STATE REQUIREMENTS**

A. Applicable Statute (or)

**State Appropriations Act**

B. Applicable Federal Domestic Assistance Catalog Number

N/A

C. Program Objectives

**These grant funds will be used to purchase portable neurological equipment. Specific objectives will be detailed in Attachment C of the grant award.**



D. Program Procedures

**This non-competitive award requires the agency to submit a grant application for these funds. The grantee's application will provide objectives that are specific, measurable, and attainable. Specifics regarding the grantees programmatic responsibilities will be detailed in Attachment C of the grant award.**

E. State Compliance Requirements

1. Types of Services Allowed or Unallowed

a. Compliance Requirements

**Specific requirements are detailed in Schedule C of the grant award. This grant is for the purchase of specific equipment.**

b. Suggested Audit Procedures

**Test records and source documents to verify the equipment was purchased.**

2. Eligibility

a. Compliance Requirements

**This is a non-competitive award.**

b. Suggested Audit Procedures

**Verify non-profit status.**

3. Matching, Level of Effort, and/or Allocation Requirements

a. Compliance Requirement

**None**

b. Suggested Audit Procedures

**N/A**

4. Reporting Requirements

a. Compliance Requirements

**Specific reports are identified in Attachment C of the grant award. The agency will need to submit a quarterly Report of Grant Expenditures, Quarterly Performance/Progress Report, and Statement of Equipment Purchased with Grant Fund.**

b. Suggested Audit Procedures

**Applying general accepted auditing standards when testing and sampling source documents to ensure there are no material errors, fraud, or incorrect information within those reports submitted by the grantee.**

5. Special Tests and Provisions

a. Compliance Requirements

**None**

b. Suggested Audit Procedures

**N/A**

**New Jersey Department of Health and Senior Services**

**GRANT COMPLIANCE REQUIREMENTS**

Grant Title: New Jersey Commission on Cancer Research

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Account Number: 100 046 4230 028  
100 046 4230 201

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**I. GENERAL STATE REQUIREMENTS**

The following administrative requirements are applicable to the various types of agencies, which receive grant funds from the Department of Health and Senior Services.

**A. COMPLIANCE REQUIREMENTS**

**1. POLITICAL ACTIVITY**

Grant funds cannot be used for partisan political activity of any kind by any person or organization involved in the administration of state or federally-assisted programs. Hatch Act (5 U.S.C. 1501-1508) and Intergovernmental Personnel Act of 1970 as amended by Title VI of Civil Service Reform Act (P.L. 95-454 Section 4728).

Suggested Audit Procedures

Test the expenditure and related records for indications of lobbying activities, publications, or other materials intended for influencing legislation or similar type costs.

Test the personnel and payroll records, and identify persons whose responsibilities or activities include political activity.

Test whether the above costs, if any exist, are charged directly or indirectly, to Grants.

**2. DAVIS-BACON ACT**

When required by the grant program legislation, all laborers and mechanics employed by contractors or subcontractors to work on construction projects must be paid wages not less than those established for the locality of the project by the Secretary of Labor.

(40 Stat. 1491, Mar 3, 1921, Chap. 411, 40 U.S.C. 276A-276A-5).

Suggested Audit Procedures

Identify the programs involving construction activities.

Review selected construction contracts and subcontracts and determine whether they contain provisions requiring the payment of "prevailing" wages.

Review the grantee's system for monitoring applicable contractors and subcontractors with respect to payment of prevailing wages and evaluate for adequacy.

Review the monitoring system for contracts for selected programs and determine whether there is adherence to the prescribed procedures.

For grantee's which have not developed a system, or whose system is not operating effectively:

- Obtain payroll lists from contractors and review wages paid.
- Determine whether wages paid conform to the prevailing wages.

### 3. CIVIL RIGHTS

No person shall, on the grounds of race, color, national origin, age, or handicap, be excluded from participation in or be subjected to discrimination in any program or activity funded, in whole or in part, by grant funds. Discrimination on the basis of sex or religion is also prohibited in some programs. (Age-42 U.S.C. 6101 et. seq.; Race-42 U.S.C. 2000d; Handicap-29 U.S.C. 794.)

#### Suggested Audit Procedures

Determine whether the grantee has announced a formal policy of nondiscrimination.

For recipients employing 15 or more persons, ascertain whether a person has been designated to oversee civil rights compliance.

Ascertain from the grant agreement whether any of the programs contain prohibitions against discrimination on the basis of sex or religion.

Ascertain the number of complaints filed with federal, state and/or local agencies responsible for ensuring nondiscrimination in government programs during the fiscal year, the status of unresolved complaints or investigations, and the actions taken on resolved complaints or completed investigations.

Ascertain whether any of the programs contain prohibitions against discrimination in employment; for those programs (1) review the annual report filed with the Equal Employment Opportunity Commission (EEOC), if any, and (2) ascertain the number of complaints filed during the fiscal year, the status of unresolved complaints and investigations, and the actions taken on resolved complaints or completed investigations.

Determine whether facilities financed by grant funds that are required to be located in a nondiscriminatory manner are so located.

Obtain representation and/or attorney letters to determine if any civil rights suits have been adjudicated or are pending.

### 4. AMERICANS WITH DISABILITIES ACT OF 1990

Any Program or activity funded, in whole or in part, by State and/or Federal Funds is subject to the Americans with Disabilities Act of 1990. Title II of the Americans with Disabilities Act (ADA) provides that "no qualified individual with a disability shall, by reason of such disability, be excluded from participation in or be denied the benefits of the services, programs, or activities of a public entity, or be subjected to discrimination by such entity." 42 U.S.C., 12132 et. seq.

#### Suggested Audit Procedures

Determine if the Grantee is in compliance with the Americans with Disabilities Act of 1990.

5. DEBARMENT AND SUSPENSION

Federal Executive Order 12549 "Debarment and Suspension," and State Executive Order 34/1976 state that a grantee may not be eligible for an award funded by Department appropriations if the agency, its key employees or subgrantees have been debarred from Federal Procurement and Non-Procurement programs.

Suggested Audit Procedures

Verify that the grantee, its key employees or subgrantees have not been debarred from State or Federal Procurement and Non-Procurement Programs.

6. LOBBYING

Section 319 of Federal Public Law 101-121 prohibits recipients of contracts, grants and loans from using appropriated funds for lobbying the Executive or Legislative Branches of Government in connection with a specific contract, grant or loan. Section 319 also requires that each person who requests or receives a contract, grant, cooperative agreement, loan or a commitment to insure or guarantee a loan, must disclose lobbying activities.

Suggested Audit Procedures

Verify that funds have not been used for lobbying activities as stated in Section 1352 of Public Law 101-121.

Verify that the Standard Form-LLL, "Disclosure Form to Report Lobbying" was completed indicating to whom payments were made, how much money was involved and the type of work involved. Verify that the standard form was submitted to the Granting Agency to disclose activities pursuant to 31 U.S.C. 1352.

7. GRANTEE'S TERMS & CONDITIONS FOR ADMINISTRATION OF GRANTS

Administrative and financial requirements stated in this manual are applicable to all agencies, which receive grant funds from the Department.

Suggested Audit Procedures

Determine if the grantee is in compliance with laws, regulations and administrative and financial requirements and funds have been applied efficiently, economically and effectively.

8. FEDERAL FINANCIAL REPORTS

Most programs require the periodic submission of financial reports that fall within one or more of the following categories. The specific requirement for each grant program is presented in Attachment A of the Grant and the appropriate sub-part of the Terms and Conditions for the Administration of Grants for that program. The suggested audit procedures are provided below to facilitate the requirement for the auditor to comment on completeness and accuracy.

- a. Subpart R of the Terms and Conditions lists required financial reports that apply to most of the programs described in this document.
- b. Subpart F and G of the Terms and Conditions list cash management and payments requirements.

Suggested Audit Procedures

Review the procedures for preparing the financial reports and evaluate for adequacy.

Trace data to the supporting documentation, i.e., worksheets, ledgers, etc.

Review adjustments made to the general ledger amounts in the report affecting programs and evaluate for propriety.

9. LOCAL/STATE FIRE AND SAFETY CODES

Suggested Audit Procedures

Verify that the grantee's Local/State Fire and Safety Codes are in accordance to the uniform Fire Safety Act, NJAC 518, related statute NJSA 52, code 27-D-1-9-2.

10. PRO-CHILDREN ACT OF 1994 - ENVIRONMENTAL TOBACCO SMOKE

This act requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, early childhood development services, education or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan or loan guarantee. The law also applies to children's services that are provided in indoor facilities that are constructed, operated, or maintained with such federal funds. The law does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment service providers whose sole source of applicable Federal funds is Medicare or Medicaid; or facilities where WIC coupons are redeemed. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1,000 for each violation and/or the imposition of an administrative compliance order on the responsible entity. If applicable, the grantee is to sign a certification indicating that the agency/organization will comply with the requirements of the Act and will not allow smoking within any portion of any indoor facility used for the provision of services for children as defined by the Act.

Suggested Audit Procedures

Determine if the grantee is in compliance with the Pro-Children Act of 1994 and a certification has been signed and is on file in the agency's office.

**SPECIFIC STATE REQUIREMENTS**

**I. PROGRAM OBJECTIVES**

The objective of the Commission on Cancer Research Program is to promote significant original research in New Jersey and to fund talented researchers exploring the causes of cancer.

Refer to Attachment C of each contractual agreement for additional specific objectives.

**II. PROGRAM PROCEDURES**

Program funds are distributed to recipients based on an Application of Health Service Grant submitted on a two-year basis. Continuation of funding after the first year is expressly dependent upon availability of funds appropriated by the State Legislature.

### III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

#### A. TYPES OF SERVICES ALLOWED OR UNALLOWED

##### Compliance Requirement

Moneys cannot be expended for other than approved research projects, which focus on the genetic, biochemical, viral, microbiological and environmental causes of cancer, behavioral, socioeconomic, demographic and psychosocial research or research into methods of clinical treatment may be considered. However, such studies should address factors that relate to the cause of cancer.

##### Suggested Audit Procedures

- \* Review grant agreement and determine any special conditions;
- \* Test expenditures and related records.

#### B. ELIGIBILITY

##### Compliance Requirement

Grants for Cancer Research are awarded as specified in the policies Governing Research Grants.

##### Suggested Audit Procedures

- \* Review policies governing Research Grants.

#### C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING REQUIREMENTS

None

#### D. REPORTING REQUIREMENTS

##### Compliance Requirement

Financial Reports are to be submitted at the end of each twelve (12) month period.

Financial Report must be submitted ninety (90) days of termination date of grant.

Interim Progress Reports are required to be submitted on a yearly basis.

Comprehensive Report is to be submitted sixty (60) days of termination date of grant.

##### Suggested Audit Procedures

- \* Review reports for completeness;
- \* Test accuracy of records.

**E. SPECIAL TESTS AND PROVISIONS**

None



**New Jersey Department of Health and Senior Services**

**GRANT COMPLIANCE REQUIREMENTS**

Grant Title: Tuberculosis Services

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Account Number: 100 046 4230 080

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**I. GENERAL STATE REQUIREMENTS**

The following administrative requirements are applicable to the various types of agencies, which receive grant funds from the Department of Health and Senior Services.

**A. COMPLIANCE REQUIREMENTS**

**1. POLITICAL ACTIVITY**

Grant funds cannot be used for partisan political activity of any kind by any person or organization involved in the administration of state or federally-assisted programs. Hatch Act (5 U.S.C. 1501-1508) and Intergovernmental Personnel Act of 1970 as amended by Title VI of Civil Service Reform Act (P.L. 95-454 Section 4728).

Suggested Audit Procedures

Test the expenditure and related records for indications of lobbying activities, publications, or other materials intended for influencing legislation or similar type costs.

Test the personnel and payroll records, and identify persons whose responsibilities or activities include political activity.

Test whether the above costs, if any exist, are charged directly or indirectly, to Grants.

**2. DAVIS-BACON ACT**

When required by the grant program legislation, all laborers and mechanics employed by contractors or subcontractors to work on construction projects must be paid wages not less than those established for the locality of the project by the Secretary of Labor.

(40 Stat. 1491, Mar 3, 1921, Chap. 411, 40 U.S.C. 276A-276A-5).

Suggested Audit Procedures

Identify the programs involving construction activities.

Review selected construction contracts and subcontracts and determine whether they contain provisions requiring the payment of "prevailing" wages.

Review the grantee's system for monitoring applicable contractors and subcontractors with respect to payment of prevailing wages and evaluate for adequacy.

Review the monitoring system for contracts for selected programs and determine whether there is adherence to the prescribed procedures.

For grantee's which have not developed a system, or whose system is not operating effectively:

- Obtain payroll lists from contractors and review wages paid.
- Determine whether wages paid conform to the prevailing wages.

### 3. CIVIL RIGHTS

No person shall, on the grounds of race, color, national origin, age, or handicap, be excluded from participation in or be subjected to discrimination in any program or activity funded, in whole or in part, by grant funds. Discrimination on the basis of sex or religion is also prohibited in some programs. (Age-42 U.S.C. 6101 et. seq.; Race-42 U.S.C. 2000d; Handicap-29 U.S.C. 794.)

#### Suggested Audit Procedures

Determine whether the grantee has announced a formal policy of nondiscrimination.

For recipients employing 15 or more persons, ascertain whether a person has been designated to oversee civil rights compliance.

Ascertain from the grant agreement whether any of the programs contain prohibitions against discrimination on the basis of sex or religion.

Ascertain the number of complaints filed with federal, state and/or local agencies responsible for ensuring nondiscrimination in government programs during the fiscal year, the status of unresolved complaints or investigations, and the actions taken on resolved complaints or completed investigations.

Ascertain whether any of the programs contain prohibitions against discrimination in employment; for those programs (1) review the annual report filed with the Equal Employment Opportunity Commission (EEOC), if any, and (2) ascertain the number of complaints filed during the fiscal year, the status of unresolved complaints and investigations, and the actions taken on resolved complaints or completed investigations.

Determine whether facilities financed by grant funds that are required to be located in a nondiscriminatory manner are so located.

Obtain representation and/or attorney letters to determine if any civil rights suits have been adjudicated or are pending.

### 4. AMERICANS WITH DISABILITIES ACT OF 1990

Any Program or activity funded, in whole or in part, by State and/or Federal Funds is subject to the Americans with Disabilities Act of 1990. Title II of the Americans with Disabilities Act (ADA) provides that "no qualified individual with a disability shall, by reason of such disability, be excluded from participation in or be denied the benefits of the services, programs, or activities of a public entity, or be subjected to discrimination by such entity." 42 U.S.C., 12132 et. seq.

#### Suggested Audit Procedures

Determine if the Grantee is in compliance with the Americans with Disabilities Act of 1990.

5. DEBARMENT AND SUSPENSION

Federal Executive Order 12549 "Debarment and Suspension," and State Executive Order 34/1976 state that a grantee may not be eligible for an award funded by Department appropriations if the agency, its key employees or subgrantees have been debarred from Federal Procurement and Non-Procurement programs.

Suggested Audit Procedures

Verify that the grantee, its key employees or subgrantees have not been debarred from State or Federal Procurement and Non-Procurement Programs.

6. LOBBYING

Section 319 of Federal Public Law 101-121 prohibits recipients of contracts, grants and loans from using appropriated funds for lobbying the Executive or Legislative Branches of Government in connection with a specific contract, grant or loan. Section 319 also requires that each person who requests or receives a contract, grant, cooperative agreement, loan or a commitment to insure or guarantee a loan, must disclose lobbying activities.

Suggested Audit Procedures

Verify that funds have not been used for lobbying activities as stated in Section 1352 of Public Law 101-121.

Verify that the Standard Form-LLL, "Disclosure Form to Report Lobbying" was completed indicating to whom payments were made, how much money was involved and the type of work involved. Verify that the standard form was submitted to the Granting Agency to disclose activities pursuant to 31 U.S.C. 1352.

7. GRANTEE'S TERMS & CONDITIONS FOR ADMINISTRATION OF GRANTS

Administrative and financial requirements stated in this manual are applicable to all agencies, which receive grant funds from the Department.

Suggested Audit Procedures

Determine if the grantee is in compliance with laws, regulations and administrative and financial requirements and funds have been applied efficiently, economically and effectively.

8. FEDERAL FINANCIAL REPORTS

Most programs require the periodic submission of financial reports that fall within one or more of the following categories. The specific requirement for each grant program is presented in Attachment A of the Grant and the appropriate sub-part of the Terms and Conditions for the Administration of Grants for that program. The suggested audit procedures are provided below to facilitate the requirement for the auditor to comment on completeness and accuracy.

- a. Subpart R of the Terms and Conditions lists required financial reports that apply to most of the programs described in this document.
- b. Subpart F and G of the Terms and Conditions list cash management and payments requirements.

Suggested Audit Procedures

Review the procedures for preparing the financial reports and evaluate for adequacy.

Trace data to the supporting documentation, i.e., worksheets, ledgers, etc.

Review adjustments made to the general ledger amounts in the report affecting programs and evaluate for propriety.

9. LOCAL/STATE FIRE AND SAFETY CODES

Suggested Audit Procedures

Verify that the grantee's Local/State Fire and Safety Codes are in accordance to the uniform Fire Safety Act, NJAC 518, related statute NJSA 52, code 27-D-1-9-2.

10. PRO-CHILDREN ACT OF 1994 - ENVIRONMENTAL TOBACCO SMOKE

This act requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, early childhood development services, education or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan or loan guarantee. The law also applies to children's services that are provided in indoor facilities that are constructed, operated, or maintained with such federal funds. The law does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment service providers whose sole source of applicable Federal funds is Medicare or Medicaid; or facilities where WIC coupons are redeemed. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1,000 for each violation and/or the imposition of an administrative compliance order on the responsible entity. If applicable, the grantee is to sign a certification indicating that the agency/organization will comply with the requirements of the Act and will not allow smoking within any portion of any indoor facility used for the provision of services for children as defined by the Act.

Suggested Audit Procedures

Determine if the grantee is in compliance with the Pro-Children Act of 1994 and a certification has been signed and is on file in the agency's office.

**SPECIFIC STATE REQUIREMENTS**

**I. PROGRAM OBJECTIVES**

The objective of the Tuberculosis Services Program is to:

Reduce morbidity and mortality due to tuberculosis.

Refer to Attachment C of each contractual agreement for additional specific objectives.

## II. PROGRAM PROCEDURES

Funds are provided to third party subrecipients upon submission of an Application for Health Service Contract to provide tuberculosis services. Applications are reviewed and funding is recommended to the Department based upon availability of funds.

## III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

### A. TYPES OF SERVICES ALLOWED OR UNALLOWED

#### Compliance Requirement

Funds cannot be expended for other than tuberculosis services mentioned in contractual agreement.

#### Suggested Audit Procedures

- \* Review contractual agreement and determine any special exceptions;
- \* Review expenditures and related records to assure compliance.

### B. ELIGIBILITY

#### Compliance Requirement

Recognized Local Health Agency of New Jersey, or recognized Health Service Delivery Organizations that comply with State contract requirements.

Eligibility of services is determined by existing disease morbidity problem in area.

#### Suggested Audit Procedures

Review:

- \* Organization structure and license;
- \* Morbidity for area of jurisdiction.

### C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING REQUIREMENTS

#### Compliance Requirement

No direct matching funds are required. However, contracting agencies must display an ongoing financial commitment to tuberculosis control activities.

#### Suggested Audit Procedures

- \* Review existing tuberculosis services.

**D. REPORTING REQUIREMENTS**

Compliance Requirement

Quarterly Narrative Morbidity Reports

Bacteriologic Conversion of Sputum

Continuity and Completion of Therapy Contact Examination

Contacts Started and Completing Preventive Therapy, and Other High Risk Infected Persons Started and Completing Preventive Therapy.

Suggested Audit Procedures

- \* Review and test for accuracy of reports;
- \* Determine that reports were submitted on a timely basis.

**E. SPECIAL TESTS AND PROVISIONS**

None

**New Jersey Department of Health and Senior Services**

**GRANT COMPLIANCE REQUIREMENTS**

Grant Title: Worker and Community Right to Know

Account Number: 100 046 4230 105

**I. GENERAL STATE REQUIREMENTS**

The following administrative requirements are applicable to the various types of agencies, which receive grant funds from the Department of Health and Senior Services.

**A. COMPLIANCE REQUIREMENTS**

**1. POLITICAL ACTIVITY**

Grant funds cannot be used for partisan political activity of any kind by any person or organization involved in the administration of state or federally-assisted programs. Hatch Act (5 U.S.C. 1501-1508) and Intergovernmental Personnel Act of 1970 as amended by Title VI of Civil Service Reform Act (P.L. 95-454 Section 4728).

Suggested Audit Procedures

Test the expenditure and related records for indications of lobbying activities, publications, or other materials intended for influencing legislation or similar type costs.

Test the personnel and payroll records, and identify persons whose responsibilities or activities include political activity.

Test whether the above costs, if any exist, are charged directly or indirectly, to Grants.

**2. DAVIS-BACON ACT**

When required by the grant program legislation, all laborers and mechanics employed by contractors or subcontractors to work on construction projects must be paid wages not less than those established for the locality of the project by the Secretary of Labor.

(40 Stat. 1491, Mar 3, 1921, Chap. 411, 40 U.S.C. 276A-276A-5).

Suggested Audit Procedures

Identify the programs involving construction activities.

Review selected construction contracts and subcontracts and determine whether they contain provisions requiring the payment of "prevailing" wages.

Review the grantee's system for monitoring applicable contractors and subcontractors with respect to payment of prevailing wages and evaluate for adequacy.

Review the monitoring system for contracts for selected programs and determine whether there is adherence to the prescribed procedures.

For grantee's which have not developed a system, or whose system is not operating effectively:

- Obtain payroll lists from contractors and review wages paid.
- Determine whether wages paid conform to the prevailing wages.

### 3. CIVIL RIGHTS

No person shall, on the grounds of race, color, national origin, age, or handicap, be excluded from participation in or be subjected to discrimination in any program or activity funded, in whole or in part, by grant funds. Discrimination on the basis of sex or religion is also prohibited in some programs. (Age-42 U.S.C. 6101 et. seq.; Race-42 U.S.C. 2000d; Handicap-29 U.S.C. 794.)

#### Suggested Audit Procedures

Determine whether the grantee has announced a formal policy of nondiscrimination.

For recipients employing 15 or more persons, ascertain whether a person has been designated to oversee civil rights compliance.

Ascertain from the grant agreement whether any of the programs contain prohibitions against discrimination on the basis of sex or religion.

Ascertain the number of complaints filed with federal, state and/or local agencies responsible for ensuring nondiscrimination in government programs during the fiscal year, the status of unresolved complaints or investigations, and the actions taken on resolved complaints or completed investigations.

Ascertain whether any of the programs contain prohibitions against discrimination in employment; for those programs (1) review the annual report filed with the Equal Employment Opportunity Commission (EEOC), if any, and (2) ascertain the number of complaints filed during the fiscal year, the status of unresolved complaints and investigations, and the actions taken on resolved complaints or completed investigations.

Determine whether facilities financed by grant funds that are required to be located in a nondiscriminatory manner are so located.

Obtain representation and/or attorney letters to determine if any civil rights suits have been adjudicated or are pending.

### 4. AMERICANS WITH DISABILITIES ACT OF 1990

Any Program or activity funded, in whole or in part, by State and/or Federal Funds is subject to the Americans with Disabilities Act of 1990. Title II of the Americans with Disabilities Act (ADA) provides that "no qualified individual with a disability shall, by reason of such disability, be excluded from participation in or be denied the benefits of the services, programs, or activities of a public entity, or be subjected to discrimination by such entity." 42 U.S.C., 12132 et. seq.

#### Suggested Audit Procedures

Determine if the Grantee is in compliance with the Americans with Disabilities Act of 1990.



5. DEBARMENT AND SUSPENSION

Federal Executive Order 12549 "Debarment and Suspension," and State Executive Order 34/1976 state that a grantee may not be eligible for an award funded by Department appropriations if the agency, its key employees or subgrantees have been debarred from Federal Procurement and Non-Procurement programs.

Suggested Audit Procedures

Verify that the grantee, its key employees or subgrantees have not been debarred from State or Federal Procurement and Non-Procurement Programs.

6. LOBBYING

Section 319 of Federal Public Law 101-121 prohibits recipients of contracts, grants and loans from using appropriated funds for lobbying the Executive or Legislative Branches of Government in connection with a specific contract, grant or loan. Section 319 also requires that each person who requests or receives a contract, grant, cooperative agreement, loan or a commitment to insure or guarantee a loan, must disclose lobbying activities.

Suggested Audit Procedures

Verify that funds have not been used for lobbying activities as stated in Section 1352 of Public Law 101-121.

Verify that the Standard Form-LLL, "Disclosure Form to Report Lobbying" was completed indicating to whom payments were made, how much money was involved and the type of work involved. Verify that the standard form was submitted to the Granting Agency to disclose activities pursuant to 31 U.S.C. 1352.

7. GRANTEE'S TERMS & CONDITIONS FOR ADMINISTRATION OF GRANTS

Administrative and financial requirements stated in this manual are applicable to all agencies, which receive grant funds from the Department.

Suggested Audit Procedures

Determine if the grantee is in compliance with laws, regulations and administrative and financial requirements and funds have been applied efficiently, economically and effectively.

8. FEDERAL FINANCIAL REPORTS

Most programs require the periodic submission of financial reports that fall within one or more of the following categories. The specific requirement for each grant program is presented in Attachment A of the Grant and the appropriate sub-part of the Terms and Conditions for the Administration of Grants for that program. The suggested audit procedures are provided below to facilitate the requirement for the auditor to comment on completeness and accuracy.

- a. Subpart R of the Terms and Conditions lists required financial reports that apply to most of the programs described in this document.
- b. Subpart F and G of the Terms and Conditions list cash management and payments requirements.

Suggested Audit Procedures

Review the procedures for preparing the financial reports and evaluate for adequacy.

Trace data to the supporting documentation, i.e., worksheets, ledgers, etc.

Review adjustments made to the general ledger amounts in the report affecting programs and evaluate for propriety.

9. LOCAL/STATE FIRE AND SAFETY CODES

Suggested Audit Procedures

Verify that the grantee's Local/State Fire and Safety Codes are in accordance to the uniform Fire Safety Act, NJAC 518, related statute NJSA 52, code 27-D-1-9-2.

10. PRO-CHILDREN ACT OF 1994 - ENVIRONMENTAL TOBACCO SMOKE

This act requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, early childhood development services, education or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan or loan guarantee. The law also applies to children's services that are provided in indoor facilities that are constructed, operated, or maintained with such federal funds. The law does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment service providers whose sole source of applicable Federal funds is Medicare or Medicaid; or facilities where WIC coupons are redeemed. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1,000 for each violation and/or the imposition of an administrative compliance order on the responsible entity. If applicable, the grantee is to sign a certification indicating that the agency/organization will comply with the requirements of the Act and will not allow smoking within any portion of any indoor facility used for the provision of services for children as defined by the Act.

Suggested Audit Procedures

Determine if the grantee is in compliance with the Pro-Children Act of 1994 and a certification has been signed and is on file in the agency's office.

**SPECIFIC STATE REQUIREMENTS**

**I. PROGRAM OBJECTIVES**

The objective of the Right to Know Program is to:

Maintain and make available to the public information required pursuant to the Worker and community Right to Know Act in a specified county.

Refer to Attachment C of each contractual agreement for additional specific objectives.

## II. PROGRAM PROCEDURES

There is established in the Department of the Treasury a revolving fund known as the Worker and Community Right to Know (RTK) Fund. The Fund is credited with fees collected pursuant to the RTK Act. The Act specifies that county health departments will annually receive fifteen (15) percent of the moneys in the fund. In counties where there is not an established county health department, the Act specifies that funds are to be distributed to the county clerk. Under the RTK Act, the State Health Department has responsibility for distributing county RTK funds to county health departments and county clerks. The funds are distributed to county agencies on a formula based on the number of facilities covered by the Act, number of employees working *in* the facilities and population.

## III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

### A. TYPES OF SERVICES ALLOWED OR UNALLOWED

#### Compliance Requirement

County agencies cannot charge the public to review RTK information on file.

County agencies can charge the public for copies of RTK information not to exceed cost of reproducing documents.

County agencies must obtain approval from the State Department of Health to expend funds for other than those proposed and budgeted.

#### Suggested Audit Procedures

- \* Site visits;
- \* Request RTK information;
- \* Review agency's financial records and current letter of agreement for RTK funds to determine that agency is in compliance.

### B. ELIGIBILITY

#### Compliance Requirement

An agency's eligibility for RTK funds is specified pursuant to the RTK Act.

#### Suggested Audit Procedures

- \* Review N.J. Worker and Community RTK Act.

### C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING REQUIREMENTS

None

**D. REPORTING REQUIREMENTS**

Compliance Requirement

Submit the following:

Report of Expenditures -within sixty (60) days following close of agreement.

Progress Report -within sixty (60) days following close of agreement.

State Invoice

At the start of agreement for fifty (50) percent advance payment.

Six months following first day of agreement.

Suggested Audit Procedures

\* Review Program performance data and financial record of expenditures.

**E. SPECIAL TESTS AND PROVISIONS**

None

**New Jersey Department of Health and Senior Services**

**GRANT COMPLIANCE REQUIREMENTS**

Grant Title: Pilot Clinic Fund

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Account Number: 100 046 4230 202

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**I. GENERAL STATE REQUIREMENTS**

The following administrative requirements are applicable to the various types of agencies, which receive grant funds from the Department of Health and Senior Services.

**A. COMPLIANCE REQUIREMENTS**

**1. POLITICAL ACTIVITY**

Grant funds cannot be used for partisan political activity of any kind by any person or organization involved in the administration of state or federally-assisted programs. Hatch Act (5 U.S.C. 1501-1508) and Intergovernmental Personnel Act of 1970 as amended by Title VI of Civil Service Reform Act (P.L. 95-454 Section 4728).

Suggested Audit Procedures

Test the expenditure and related records for indications of lobbying activities, publications, or other materials intended for influencing legislation or similar type costs.

Test the personnel and payroll records, and identify persons whose responsibilities or activities include political activity.

Test whether the above costs, if any exist, are charged directly or indirectly, to Grants.

**2. DAVIS-BACON ACT**

When required by the grant program legislation, all laborers and mechanics employed by contractors or subcontractors to work on construction projects must be paid wages not less than those established for the locality of the project by the Secretary of Labor.

(40 Stat. 1491, Mar 3, 1921, Chap. 411, 40 U.S.C. 276A-276A-5).

Suggested Audit Procedures

Identify the programs involving construction activities.

Review selected construction contracts and subcontracts and determine whether they contain provisions requiring the payment of "prevailing" wages.

Review the grantee's system for monitoring applicable contractors and subcontractors with respect to payment of prevailing wages and evaluate for adequacy.

Review the monitoring system for contracts for selected programs and determine whether there is adherence to the prescribed procedures.

For grantee's which have not developed a system, or whose system is not operating effectively:

- Obtain payroll lists from contractors and review wages paid.
- Determine whether wages paid conform to the prevailing wages.

### 3. CIVIL RIGHTS

No person shall, on the grounds of race, color, national origin, age, or handicap, be excluded from participation in or be subjected to discrimination in any program or activity funded, in whole or in part, by grant funds. Discrimination on the basis of sex or religion is also prohibited in some programs. (Age-42 U.S.C. 6101 et. seq.; Race-42 U.S.C. 2000d; Handicap-29 U.S.C. 794.)

#### Suggested Audit Procedures

Determine whether the grantee has announced a formal policy of nondiscrimination.

For recipients employing 15 or more persons, ascertain whether a person has been designated to oversee civil rights compliance.

Ascertain from the grant agreement whether any of the programs contain prohibitions against discrimination on the basis of sex or religion.

Ascertain the number of complaints filed with federal, state and/or local agencies responsible for ensuring nondiscrimination in government programs during the fiscal year, the status of unresolved complaints or investigations, and the actions taken on resolved complaints or completed investigations.

Ascertain whether any of the programs contain prohibitions against discrimination in employment; for those programs (1) review the annual report filed with the Equal Employment Opportunity Commission (EEOC), if any, and (2) ascertain the number of complaints filed during the fiscal year, the status of unresolved complaints and investigations, and the actions taken on resolved complaints or completed investigations.

Determine whether facilities financed by grant funds that are required to be located in a nondiscriminatory manner are so located.

Obtain representation and/or attorney letters to determine if any civil rights suits have been adjudicated or are pending.

### 4. AMERICANS WITH DISABILITIES ACT OF 1990

Any Program or activity funded, in whole or in part, by State and/or Federal Funds is subject to the Americans with Disabilities Act of 1990. Title II of the Americans with Disabilities Act (ADA) provides that "no qualified individual with a disability shall, by reason of such disability, be excluded from participation in or be denied the benefits of the services, programs, or activities of a public entity, or be subjected to discrimination by such entity." 42 U.S.C., 12132 et. seq.

#### Suggested Audit Procedures

Determine if the Grantee is in compliance with the Americans with Disabilities Act of 1990.

5. DEBARMENT AND SUSPENSION

Federal Executive Order 12549 "Debarment and Suspension," and State Executive Order 34/1976 state that a grantee may not be eligible for an award funded by Department appropriations if the agency, its key employees or subgrantees have been debarred from Federal Procurement and Non-Procurement programs.

Suggested Audit Procedures

Verify that the grantee, its key employees or subgrantees have not been debarred from State or Federal Procurement and Non-Procurement Programs.

6. LOBBYING

Section 319 of Federal Public Law 101-121 prohibits recipients of contracts, grants and loans from using appropriated funds for lobbying the Executive or Legislative Branches of Government in connection with a specific contract, grant or loan. Section 319 also requires that each person who requests or receives a contract, grant, cooperative agreement, loan or a commitment to insure or guarantee a loan, must disclose lobbying activities.

Suggested Audit Procedures

Verify that funds have not been used for lobbying activities as stated in Section 1352 of Public Law 101-121.

Verify that the Standard Form-LLL, "Disclosure Form to Report Lobbying" was completed indicating to whom payments were made, how much money was involved and the type of work involved. Verify that the standard form was submitted to the Granting Agency to disclose activities pursuant to 31 U.S.C. 1352.

7. GRANTEE'S TERMS & CONDITIONS FOR ADMINISTRATION OF GRANTS

Administrative and financial requirements stated in this manual are applicable to all agencies, which receive grant funds from the Department.

Suggested Audit Procedures

Determine if the grantee is in compliance with laws, regulations and administrative and financial requirements and funds have been applied efficiently, economically and effectively.

8. FEDERAL FINANCIAL REPORTS

Most programs require the periodic submission of financial reports that fall within one or more of the following categories. The specific requirement for each grant program is presented in Attachment A of the Grant and the appropriate sub-part of the Terms and Conditions for the Administration of Grants for that program. The suggested audit procedures are provided below to facilitate the requirement for the auditor to comment on completeness and accuracy.

- a. Subpart R of the Terms and Conditions lists required financial reports that apply to most of the programs described in this document.
- b. Subpart F and G of the Terms and Conditions list cash management and payments requirements.

Suggested Audit Procedures

Review the procedures for preparing the financial reports and evaluate for adequacy.

Trace data to the supporting documentation, i.e., worksheets, ledgers, etc.

Review adjustments made to the general ledger amounts in the report affecting programs and evaluate for propriety.

9. LOCAL/STATE FIRE AND SAFETY CODES

Suggested Audit Procedures

Verify that the grantee's Local/State Fire and Safety Codes are in accordance to the uniform Fire Safety Act, NJAC 518, related statute NJSA 52, code 27-D-1-9-2.

10. PRO-CHILDREN ACT OF 1994 - ENVIRONMENTAL TOBACCO SMOKE

This act requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, early childhood development services, education or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan or loan guarantee. The law also applies to children's services that are provided in indoor facilities that are constructed, operated, or maintained with such federal funds. The law does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment service providers whose sole source of applicable Federal funds is Medicare or Medicaid; or facilities where WIC coupons are redeemed. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1,000 for each violation and/or the imposition of an administrative compliance order on the responsible entity. If applicable, the grantee is to sign a certification indicating that the agency/organization will comply with the requirements of the Act and will not allow smoking within any portion of any indoor facility used for the provision of services for children as defined by the Act.

Suggested Audit Procedures

Determine if the grantee is in compliance with the Pro-Children Act of 1994 and a certification has been signed and is on file in the agency's office.

**SPECIFIC STATE REQUIREMENTS**

**I. PROGRAM OBJECTIVES**

The objectives of the Pilot Clinic Fund Program is to:

Establish and operate a Pilot Clinic for spaying and neutering of owned dogs and cats.

Establish a model clinic that views spaying and neutering services as an integral part of stray animal population control.

Provide services to a large number of middle income animal owning people in a service area included in a 15-mile radius from clinic.



Conduct clinic in conformance with terms of Public Law 1933, Chapter 180, and all relevant federal and New Jersey State Laws and Regulations.

Conduct clinic operations in a surgical facility approved by the New Jersey Veterinary Medical Association.

Determine feasibility of establishing a State-wide clinic program.

Refer to Attachment C of each contractual agreement for additional specific objectives.

## **II. PROGRAM PROCEDURES**

Applications submitted by third party subrecipients are reviewed and funding is recommended to the Department based upon the award.

## **III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES**

### **A. TYPES OF SERVICES ALLOWED OR UNALLOWED**

#### Compliance Requirement

Funds may be used only for the following services:

Spaying and neutering of dogs and cats owned by New Jersey residents.

Immunization of pets being spayed or neutered.

#### Suggested Audit Procedures

\* Review expenditure reports and related records.

### **B. ELIGIBILITY**

#### Compliance Requirement

This Program is open to all New Jersey pet owners regardless of income.

#### Suggested Audit Procedures

\* Progress Reports and regular staff site visits.

### **C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING REQUIREMENTS**

#### Compliance Requirement

The agency must add program income from surgeries to Department grant to further program objectives.

#### Suggested Audit Procedures

Review:

Expenditure Reports

Progress Reports

Audits

**D. REPORTING REQUIREMENTS**

Compliance Requirement

Expenditure Report (monthly)

Progress Report (monthly)

Suggested Audit Procedures

\* Program review and approval/disapproval of monthly reports.

**E. SPECIAL TESTS AND PROVISIONS**

None

**New Jersey Department of Health and Senior Services**

**GRANT COMPLIANCE REQUIREMENTS**

Grant Title: Cancer Institute of New Jersey

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Account Number: 100 046 4230 369

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**I. GENERAL STATE REQUIREMENTS**

The following administrative requirements are applicable to the various types of agencies, which receive grant funds from the Department of Health and Senior Services.

**A. COMPLIANCE REQUIREMENTS**

**1. POLITICAL ACTIVITY**

Grant funds cannot be used for partisan political activity of any kind by any person or organization involved in the administration of state or federally-assisted programs. Hatch Act (5 U.S.C. 1501-1508) and Intergovernmental Personnel Act of 1970 as amended by Title VI of Civil Service Reform Act (P.L. 95-454 Section 4728).

Suggested Audit Procedures

Test the expenditure and related records for indications of lobbying activities, publications, or other materials intended for influencing legislation or similar type costs.

Test the personnel and payroll records, and identify persons whose responsibilities or activities include political activity.

Test whether the above costs, if any exist, are charged directly or indirectly, to Grants.

**2. DAVIS-BACON ACT**

When required by the grant program legislation, all laborers and mechanics employed by contractors or subcontractors to work on construction projects must be paid wages not less than those established for the locality of the project by the Secretary of Labor.

(40 Stat. 1491, Mar 3, 1921, Chap. 411, 40 U.S.C. 276A-276A-5).

Suggested Audit Procedures

Identify the programs involving construction activities.

Review selected construction contracts and subcontracts and determine whether they contain provisions requiring the payment of "prevailing" wages.

Review the grantee's system for monitoring applicable contractors and subcontractors with respect to payment of prevailing wages and evaluate for adequacy.

Review the monitoring system for contracts for selected programs and determine whether there is adherence to the prescribed procedures.

For grantee's which have not developed a system, or whose system is not operating effectively:

- Obtain payroll lists from contractors and review wages paid.
- Determine whether wages paid conform to the prevailing wages.

### 3. CIVIL RIGHTS

No person shall, on the grounds of race, color, national origin, age, or handicap, be excluded from participation in or be subjected to discrimination in any program or activity funded, in whole or in part, by grant funds. Discrimination on the basis of sex or religion is also prohibited in some programs. (Age-42 U.S.C. 6101 et. seq.; Race-42 U.S.C. 2000d; Handicap-29 U.S.C. 794.)

#### Suggested Audit Procedures

Determine whether the grantee has announced a formal policy of nondiscrimination.

For recipients employing 15 or more persons, ascertain whether a person has been designated to oversee civil rights compliance.

Ascertain from the grant agreement whether any of the programs contain prohibitions against discrimination on the basis of sex or religion.

Ascertain the number of complaints filed with federal, state and/or local agencies responsible for ensuring nondiscrimination in government programs during the fiscal year, the status of unresolved complaints or investigations, and the actions taken on resolved complaints or completed investigations.

Ascertain whether any of the programs contain prohibitions against discrimination in employment; for those programs (1) review the annual report filed with the Equal Employment Opportunity Commission (EEOC), if any, and (2) ascertain the number of complaints filed during the fiscal year, the status of unresolved complaints and investigations, and the actions taken on resolved complaints or completed investigations.

Determine whether facilities financed by grant funds that are required to be located in a nondiscriminatory manner are so located.

Obtain representation and/or attorney letters to determine if any civil rights suits have been adjudicated or are pending.

### 4. AMERICANS WITH DISABILITIES ACT OF 1990

Any Program or activity funded, in whole or in part, by State and/or Federal Funds is subject to the Americans with Disabilities Act of 1990. Title II of the Americans with Disabilities Act (ADA) provides that "no qualified individual with a disability shall, by reason of such disability, be excluded from participation in or be denied the benefits of the services, programs, or activities of a public entity, or be subjected to discrimination by such entity." 42 U.S.C., 12132 et. seq.

#### Suggested Audit Procedures

Determine if the Grantee is in compliance with the Americans with Disabilities Act of 1990.

5. DEBARMENT AND SUSPENSION

Federal Executive Order 12549 "Debarment and Suspension," and State Executive Order 34/1976 state that a grantee may not be eligible for an award funded by Department appropriations if the agency, its key employees or subgrantees have been debarred from Federal Procurement and Non-Procurement programs.

Suggested Audit Procedures

Verify that the grantee, its key employees or subgrantees have not been debarred from State or Federal Procurement and Non-Procurement Programs.

6. LOBBYING

Section 319 of Federal Public Law 101-121 prohibits recipients of contracts, grants and loans from using appropriated funds for lobbying the Executive or Legislative Branches of Government in connection with a specific contract, grant or loan. Section 319 also requires that each person who requests or receives a contract, grant, cooperative agreement, loan or a commitment to insure or guarantee a loan, must disclose lobbying activities.

Suggested Audit Procedures

Verify that funds have not been used for lobbying activities as stated in Section 1352 of Public Law 101-121.

Verify that the Standard Form-LLL, "Disclosure Form to Report Lobbying" was completed indicating to whom payments were made, how much money was involved and the type of work involved. Verify that the standard form was submitted to the Granting Agency to disclose activities pursuant to 31 U.S.C. 1352.

7. GRANTEE'S TERMS & CONDITIONS FOR ADMINISTRATION OF GRANTS

Administrative and financial requirements stated in this manual are applicable to all agencies, which receive grant funds from the Department.

Suggested Audit Procedures

Determine if the grantee is in compliance with laws, regulations and administrative and financial requirements and funds have been applied efficiently, economically and effectively.

8. FEDERAL FINANCIAL REPORTS

Most programs require the periodic submission of financial reports that fall within one or more of the following categories. The specific requirement for each grant program is presented in Attachment A of the Grant and the appropriate sub-part of the Terms and Conditions for the Administration of Grants for that program. The suggested audit procedures are provided below to facilitate the requirement for the auditor to comment on completeness and accuracy.

- a. Subpart R of the Terms and Conditions lists required financial reports that apply to most of the programs described in this document.
- b. Subpart F and G of the Terms and Conditions list cash management and payments requirements.

Suggested Audit Procedures

Review the procedures for preparing the financial reports and evaluate for adequacy.

Trace data to the supporting documentation, i.e., worksheets, ledgers, etc.

Review adjustments made to the general ledger amounts in the report affecting programs and evaluate for propriety.

9. LOCAL/STATE FIRE AND SAFETY CODES

Suggested Audit Procedures

Verify that the grantee's Local/State Fire and Safety Codes are in accordance to the uniform Fire Safety Act, NJAC 518, related statute NJSA 52, code 27-D-1-9-2.

10. PRO-CHILDREN ACT OF 1994 - ENVIRONMENTAL TOBACCO SMOKE

This act requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, early childhood development services, education or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan or loan guarantee. The law also applies to children's services that are provided in indoor facilities that are constructed, operated, or maintained with such federal funds. The law does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment service providers whose sole source of applicable Federal funds is Medicare or Medicaid; or facilities where WIC coupons are redeemed. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1,000 for each violation and/or the imposition of an administrative compliance order on the responsible entity. If applicable, the grantee is to sign a certification indicating that the agency/organization will comply with the requirements of the Act and will not allow smoking within any portion of any indoor facility used for the provision of services for children as defined by the Act.

Suggested Audit Procedures

Determine if the grantee is in compliance with the Pro-Children Act of 1994 and a certification has been signed and is on file in the agency's office.

**II. SPECIFIC STATE REQUIREMENTS**

A. Applicable Statue (or)

**State Appropriate Act**

B. Applicable Federal Domestic Assistance Catalog Number

N/A

C. Program Objectives

**These grant funds are to provide general support to the Cancer Institute of New Jersey in their effort to reduce the morbidity and mortality rates from cancer. The agency is a comprehensive cancer service that**

**engages in extensive research, innovative clinical treatment, prevention measures, and education programs. This award will support all initiative of the agency. Specific objectives will be detailed in Attachment C of the grant award.**

D. Program Procedures

**This non-competitive award requires the agency to submit a grant application for these funds. The grantee's application will provide objectives that are specific, measurable, and attainable. Specifics regarding the grantees programmatic responsibilities will be detailed in Attachment C of the grant award.**

E. State Compliance Requirements

1. Types of Services Allowed or Unallowed

a. Compliance Requirements

**Specific requirements are detailed in Schedule C of the grant award. This is a general operational grant that is intended to support the mission, goals, and objectives of the Cancer Institute of New Jersey.**

b. Suggested Audit Procedures

**Test records and source documents to be reasonably assured there are no material reporting deficiencies for those required reports identified in Attachment C of the grant award. The tests are to ensure that the application of grant resources are reasonable and necessary to achieve satisfy the terms and conditions of the grant award.**

2. Eligibility

a. Compliance Requirements

**This is a non-competitive award that identified the Cancer Institute of New Jersey as the sole recipient.**

b. Suggested Audit Procedures

**Verify non-profit status.**

3. Matching, Level of Effort, and/or Allocation Requirements

a. Compliance Requirement

**None**

b. Suggested Audit Procedures

**N/A**

4. Reporting Requirements

a. Compliance Requirements

**Specific reports are identified in Attachment C of the grant award. The agency will need to submit a quarterly Report of Grant Expenditures, Quarterly Performance/Progress Report, Statement of Equipment Purchased with Grant Funds, and (if applicable) Statement of Program Income.**

b. Suggested Audit Procedures

**Applying general accepted auditing standards when testing and sampling source documents to ensure there are no material errors, fraud, or incorrect information within those reports submitted by the grantee.**

5. Special Tests and Provisions

a. Compliance Requirements

**None**

b. Suggested Audit Procedures

**N/A**



**New Jersey Department of Health and Senior Services**

**GRANT COMPLIANCE REQUIREMENTS**

Grant Title: Community Based Substance Abuse Treatment and Prevention-State Share (Including Vocational Adjustment Centers)

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Account Number: 100 046 4240 024  
100 046 4240 025

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**I. GENERAL STATE REQUIREMENTS**

The following administrative requirements are applicable to the various types of agencies, which receive grant funds from the Department of Health and Senior Services.

A. COMPLIANCE REQUIREMENTS

1. POLITICAL ACTIVITY

Grant funds cannot be used for partisan political activity of any kind by any person or organization involved in the administration of state or federally-assisted programs. Hatch Act (5 U.S.C. 1501-1508) and Intergovernmental Personnel Act of 1970 as amended by Title VI of Civil Service Reform Act (P.L. 95-454 Section 4728).

Suggested Audit Procedures

Test the expenditure and related records for indications of lobbying activities, publications, or other materials intended for influencing legislation or similar type costs.

Test the personnel and payroll records, and identify persons whose responsibilities or activities include political activity.

Test whether the above costs, if any exist, are charged directly or indirectly, to Grants.

2. DAVIS-BACON ACT

When required by the grant program legislation, all laborers and mechanics employed by contractors or subcontractors to work on construction projects must be paid wages not less than those established for the locality of the project by the Secretary of Labor.

(40 Stat. 1491, Mar 3, 1921, Chap. 411, 40 U.S.C. 276A-276A-5).

Suggested Audit Procedures

Identify the programs involving construction activities.

Review selected construction contracts and subcontracts and determine whether they contain provisions requiring the payment of "prevailing" wages.

Review the grantee's system for monitoring applicable contractors and subcontractors with respect to payment of prevailing wages and evaluate for adequacy.

Review the monitoring system for contracts for selected programs and determine whether there is adherence to the prescribed procedures.

For grantee's which have not developed a system, or whose system is not operating effectively:

- Obtain payroll lists from contractors and review wages paid.
- Determine whether wages paid conform to the prevailing wages.

### 3. CIVIL RIGHTS

No person shall, on the grounds of race, color, national origin, age, or handicap, be excluded from participation in or be subjected to discrimination in any program or activity funded, in whole or in part, by grant funds. Discrimination on the basis of sex or religion is also prohibited in some programs. (Age-42 U.S.C. 6101 et. seq.; Race-42 U.S.C. 2000d; Handicap-29 U.S.C. 794.)

#### Suggested Audit Procedures

Determine whether the grantee has announced a formal policy of nondiscrimination.

For recipients employing 15 or more persons, ascertain whether a person has been designated to oversee civil rights compliance.

Ascertain from the grant agreement whether any of the programs contain prohibitions against discrimination on the basis of sex or religion.

Ascertain the number of complaints filed with federal, state and/or local agencies responsible for ensuring nondiscrimination in government programs during the fiscal year, the status of unresolved complaints or investigations, and the actions taken on resolved complaints or completed investigations.

Ascertain whether any of the programs contain prohibitions against discrimination in employment; for those programs (1) review the annual report filed with the Equal Employment Opportunity Commission (EEOC), if any, and (2) ascertain the number of complaints filed during the fiscal year, the status of unresolved complaints and investigations, and the actions taken on resolved complaints or completed investigations.

Determine whether facilities financed by grant funds that are required to be located in a nondiscriminatory manner are so located.

Obtain representation and/or attorney letters to determine if any civil rights suits have been adjudicated or are pending.

### 4. AMERICANS WITH DISABILITIES ACT OF 1990

Any Program or activity funded, in whole or in part, by State and/or Federal Funds is subject to the Americans with Disabilities Act of 1990. Title II of the Americans with Disabilities Act (ADA) provides that "no qualified individual with a disability shall, by reason of such disability, be excluded from participation in or be denied the benefits of the services, programs, or activities of a public entity, or be subjected to discrimination by such entity." 42 U.S.C., 12132 et. seq.

#### Suggested Audit Procedures

Determine if the Grantee is in compliance with the Americans with Disabilities Act of 1990.

5. DEBARMENT AND SUSPENSION

Federal Executive Order 12549 "Debarment and Suspension," and State Executive Order 34/1976 state that a grantee may not be eligible for an award funded by Department appropriations if the agency, its key employees or subgrantees have been debarred from Federal Procurement and Non-Procurement programs.

Suggested Audit Procedures

Verify that the grantee, its key employees or subgrantees have not been debarred from State or Federal Procurement and Non-Procurement Programs.

6. LOBBYING

Section 319 of Federal Public Law 101-121 prohibits recipients of contracts, grants and loans from using appropriated funds for lobbying the Executive or Legislative Branches of Government in connection with a specific contract, grant or loan. Section 319 also requires that each person who requests or receives a contract, grant, cooperative agreement, loan or a commitment to insure or guarantee a loan, must disclose lobbying activities.

Suggested Audit Procedures

Verify that funds have not been used for lobbying activities as stated in Section 1352 of Public Law 101-121.

Verify that the Standard Form-LLL, "Disclosure Form to Report Lobbying" was completed indicating to whom payments were made, how much money was involved and the type of work involved. Verify that the standard form was submitted to the Granting Agency to disclose activities pursuant to 31 U.S.C. 1352.

7. GRANTEE'S TERMS & CONDITIONS FOR ADMINISTRATION OF GRANTS

Administrative and financial requirements stated in this manual are applicable to all agencies, which receive grant funds from the Department.

Suggested Audit Procedures

Determine if the grantee is in compliance with laws, regulations and administrative and financial requirements and funds have been applied efficiently, economically and effectively.

8. FEDERAL FINANCIAL REPORTS

Most programs require the periodic submission of financial reports that fall within one or more of the following categories. The specific requirement for each grant program is presented in Attachment A of the Grant and the appropriate sub-part of the Terms and Conditions for the Administration of Grants for that program. The suggested audit procedures are provided below to facilitate the requirement for the auditor to comment on completeness and accuracy.

- a. Subpart R of the Terms and Conditions lists required financial reports that apply to most of the programs described in this document.
- b. Subpart F and G of the Terms and Conditions list cash management and payments requirements.

Suggested Audit Procedures

Review the procedures for preparing the financial reports and evaluate for adequacy.

Trace data to the supporting documentation, i.e., worksheets, ledgers, etc.

Review adjustments made to the general ledger amounts in the report affecting programs and evaluate for propriety.

9. LOCAL/STATE FIRE AND SAFETY CODES

Suggested Audit Procedures

Verify that the grantee's Local/State Fire and Safety Codes are in accordance to the uniform Fire Safety Act, NJAC 518, related statute NJSA 52, code 27-D-1-9-2.

10. PRO-CHILDREN ACT OF 1994 - ENVIRONMENTAL TOBACCO SMOKE

This act requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, early childhood development services, education or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan or loan guarantee. The law also applies to children's services that are provided in indoor facilities that are constructed, operated, or maintained with such federal funds. The law does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment service providers whose sole source of applicable Federal funds is Medicare or Medicaid; or facilities where WIC coupons are redeemed. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1,000 for each violation and/or the imposition of an administrative compliance order on the responsible entity. If applicable, the grantee is to sign a certification indicating that the agency/organization will comply with the requirements of the Act and will not allow smoking within any portion of any indoor facility used for the provision of services for children as defined by the Act.

Suggested Audit Procedures

Determine if the grantee is in compliance with the Pro-Children Act of 1994 and a certification has been signed and is on file in the agency's office.

**SPECIFIC STATE REQUIREMENTS**

**I. PROGRAM OBJECTIVES**

To support community based vocational projects designed to train and find employment for drug abusing clients.

Refer to Attachment C of each grant award for additional specific objectives.

The objective of the Alcoholism Services Program is to:

Support community based alcoholism treatment programs.

Refer to Attachment C of each contractual agreement for additional specific objectives.

## II. PROGRAM PROCEDURES

Funds are provided to the third party subrecipients upon submission of a grant application for health service to provide training and employment services to the drug abusing client population. Applications are reviewed and funding is recommended to the Department upon availability of funds.

### Alcoholism Services Program

Funds are distributed to counties based upon submission of an Application for Health Service Contract to provide alcoholism services. Applications are reviewed and funding is recommended to the Department upon availability of funds.

## III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

### A. TYPES OF SERVICES ALLOWED OR UNALLOWED

#### Compliance Requirement

Moneys cannot be expended for other than vocational adjustment services including training and employment services for the drug abusing client.

#### Alcoholism Services Program

Moneys are expended according to county plans and contractual agreements. The Department must approve any subcontract. Reimbursement for services will not be authorized unless legal agreement for services has been approved by the Contract Management Officer.

#### Suggested Audit Procedures

- \* Review grant award and determine if there are special conditions.
- \* Test expenditures and related records.

### B. ELIGIBILITY

#### Compliance Requirement

See grant agreement.

#### Alcoholism Services Program

None

#### Suggested Audit Procedures

- \* Verification of eligibility.

### C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING REQUIREMENTS

#### Compliance Requirement

See grant agreement.

Alcoholism Services Program

None

Suggested Audit Procedures

Review grant agreement to ensure compliance.

**D. REPORTING REQUIREMENTS**

Compliance Requirement

Monthly financial and quarterly performance reports.

Suggested Audit Procedures

- \* Review and test for accuracy of reports;
- \* Determine if reports were submitted on a timely basis.

**E. SPECIAL TESTS AND PROVISIONS**

Compliance Requirement

See grant agreement.

Suggested Audit Procedures

- \* Review grant agreement to ensure compliance.

**New Jersey Department of Health and Senior Services**

**GRANT COMPLIANCE REQUIREMENTS**

Grant Title: Compulsive Gambling

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Account Number: 100 046 4240 028

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**I. GENERAL STATE REQUIREMENTS**

The following administrative requirements are applicable to the various types of agencies, which receive grant funds from the Department of Health and Senior Services.

**A. COMPLIANCE REQUIREMENTS**

**1. POLITICAL ACTIVITY**

Grant funds cannot be used for partisan political activity of any kind by any person or organization involved in the administration of state or federally-assisted programs. Hatch Act (5 U.S.C. 1501-1508) and Intergovernmental Personnel Act of 1970 as amended by Title VI of Civil Service Reform Act (P.L. 95-454 Section 4728).

Suggested Audit Procedures

Test the expenditure and related records for indications of lobbying activities, publications, or other materials intended for influencing legislation or similar type costs.

Test the personnel and payroll records, and identify persons whose responsibilities or activities include political activity.

Test whether the above costs, if any exist, are charged directly or indirectly, to Grants.

**2. DAVIS-BACON ACT**

When required by the grant program legislation, all laborers and mechanics employed by contractors or subcontractors to work on construction projects must be paid wages not less than those established for the locality of the project by the Secretary of Labor.

(40 Stat. 1491, Mar 3, 1921, Chap. 411, 40 U.S.C. 276A-276A-5).

Suggested Audit Procedures

Identify the programs involving construction activities.

Review selected construction contracts and subcontracts and determine whether they contain provisions requiring the payment of "prevailing" wages.

Review the grantee's system for monitoring applicable contractors and subcontractors with respect to payment of prevailing wages and evaluate for adequacy.

Review the monitoring system for contracts for selected programs and determine whether there is adherence to the prescribed procedures.

For grantee's which have not developed a system, or whose system is not operating effectively:

- Obtain payroll lists from contractors and review wages paid.
- Determine whether wages paid conform to the prevailing wages.

3. CIVIL RIGHTS

No person shall, on the grounds of race, color, national origin, age, or handicap, be excluded from participation in or be subjected to discrimination in any program or activity funded, in whole or in part, by grant funds. Discrimination on the basis of sex or religion is also prohibited in some programs. (Age-42 U.S.C. 6101 et. seq.; Race-42 U.S.C. 2000d; Handicap-29 U.S.C. 794.)

Suggested Audit Procedures

Determine whether the grantee has announced a formal policy of nondiscrimination.

For recipients employing 15 or more persons, ascertain whether a person has been designated to oversee civil rights compliance.

Ascertain from the grant agreement whether any of the programs contain prohibitions against discrimination on the basis of sex or religion.

Ascertain the number of complaints filed with federal, state and/or local agencies responsible for ensuring nondiscrimination in government programs during the fiscal year, the status of unresolved complaints or investigations, and the actions taken on resolved complaints or completed investigations.

Ascertain whether any of the programs contain prohibitions against discrimination in employment; for those programs (1) review the annual report filed with the Equal Employment Opportunity Commission (EEOC), if any, and (2) ascertain the number of complaints filed during the fiscal year, the status of unresolved complaints and investigations, and the actions taken on resolved complaints or completed investigations.

Determine whether facilities financed by grant funds that are required to be located in a nondiscriminatory manner are so located.

Obtain representation and/or attorney letters to determine if any civil rights suits have been adjudicated or are pending.

4. AMERICANS WITH DISABILITIES ACT OF 1990

Any Program or activity funded, in whole or in part, by State and/or Federal Funds is subject to the Americans with Disabilities Act of 1990. Title II of the Americans with Disabilities Act (ADA) provides that "no qualified individual with a disability shall, by reason of such disability, be excluded from participation in or be denied the benefits of the services, programs, or activities of a public entity, or be subjected to discrimination by such entity." 42 U.S.C., 12132 et. seq.

Suggested Audit Procedures

Determine if the Grantee is in compliance with the Americans with Disabilities Act of 1990.



5. DEBARMENT AND SUSPENSION

Federal Executive Order 12549 "Debarment and Suspension," and State Executive Order 34/1976 state that a grantee may not be eligible for an award funded by Department appropriations if the agency, its key employees or subgrantees have been debarred from Federal Procurement and Non-Procurement programs.

Suggested Audit Procedures

Verify that the grantee, its key employees or subgrantees have not been debarred from State or Federal Procurement and Non-Procurement Programs.

6. LOBBYING

Section 319 of Federal Public Law 101-121 prohibits recipients of contracts, grants and loans from using appropriated funds for lobbying the Executive or Legislative Branches of Government in connection with a specific contract, grant or loan. Section 319 also requires that each person who requests or receives a contract, grant, cooperative agreement, loan or a commitment to insure or guarantee a loan, must disclose lobbying activities.

Suggested Audit Procedures

Verify that funds have not been used for lobbying activities as stated in Section 1352 of Public Law 101-121.

Verify that the Standard Form-LLL, "Disclosure Form to Report Lobbying" was completed indicating to whom payments were made, how much money was involved and the type of work involved. Verify that the standard form was submitted to the Granting Agency to disclose activities pursuant to 31 U.S.C. 1352.

7. GRANTEE'S TERMS & CONDITIONS FOR ADMINISTRATION OF GRANTS

Administrative and financial requirements stated in this manual are applicable to all agencies, which receive grant funds from the Department.

Suggested Audit Procedures

Determine if the grantee is in compliance with laws, regulations and administrative and financial requirements and funds have been applied efficiently, economically and effectively.

8. FEDERAL FINANCIAL REPORTS

Most programs require the periodic submission of financial reports that fall within one or more of the following categories. The specific requirement for each grant program is presented in Attachment A of the Grant and the appropriate sub-part of the Terms and Conditions for the Administration of Grants for that program. The suggested audit procedures are provided below to facilitate the requirement for the auditor to comment on completeness and accuracy.

- a. Subpart R of the Terms and Conditions lists required financial reports that apply to most of the programs described in this document.
- b. Subpart F and G of the Terms and Conditions list cash management and payments requirements.

Suggested Audit Procedures

Review the procedures for preparing the financial reports and evaluate for adequacy.

Trace data to the supporting documentation, i.e., worksheets, ledgers, etc.

Review adjustments made to the general ledger amounts in the report affecting programs and evaluate for propriety.

9. LOCAL/STATE FIRE AND SAFETY CODES

Suggested Audit Procedures

Verify that the grantee's Local/State Fire and Safety Codes are in accordance to the uniform Fire Safety Act, NJAC 518, related statute NJSA 52, code 27-D-1-9-2.

10. PRO-CHILDREN ACT OF 1994 - ENVIRONMENTAL TOBACCO SMOKE

This act requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, early childhood development services, education or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan or loan guarantee. The law also applies to children's services that are provided in indoor facilities that are constructed, operated, or maintained with such federal funds. The law does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment service providers whose sole source of applicable Federal funds is Medicare or Medicaid; or facilities where WIC coupons are redeemed. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1,000 for each violation and/or the imposition of an administrative compliance order on the responsible entity. If applicable, the grantee is to sign a certification indicating that the agency/organization will comply with the requirements of the Act and will not allow smoking within any portion of any indoor facility used for the provision of services for children as defined by the Act.

Suggested Audit Procedures

Determine if the grantee is in compliance with the Pro-Children Act of 1994 and a certification has been signed and is on file in the agency's office.

**SPECIFIC STATE REQUIREMENTS**

**I. PROGRAM OBJECTIVES**

To reduce the need to treat the compulsive gambler and his family for the other problems that are associated with this disease.

Refer to Attachment C of each grant award for additional specific objectives.

**II. PROGRAM PROCEDURES**

Third party subrecipients submit applications to provide specific types of services regarding compulsive Gambling in New Jersey. Applications are reviewed and funding is recommended to the Department upon availability of funds.

### III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

#### A. TYPES OF SERVICES ALLOWED OR UNALLOWED

##### Compliance Requirement

Moneys cannot be expended for other than the support services mentioned in the grant award.

##### Suggested Audit Procedures

- \* Review grant award;
- \* Test expenditure and related records.

#### B. ELIGIBILITY

##### Compliance Requirement

See grant agreement.

##### Suggested Audit Procedures

- \* Verification of eligibility.

#### C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING REQUIREMENTS

##### Compliance Requirement

See grant agreement.

##### Suggested Audit Procedures

- \* Review grant agreement to ensure compliance.

#### D. REPORTING REQUIREMENTS

##### Compliance Requirement

Required to submit Financial and Performance reports as specified in the grant award.

##### Suggested Audit Procedures

- \* Review reports for completeness;
- \* Test accuracy of records;
- \* Determine that reports were submitted on a timely basis.

**E. SPECIAL TESTS AND PROVISIONS**

Compliance Requirement

See grant agreement.

Suggested Audit Procedures

- \* Ensure compliance with grant agreement.

**New Jersey Department of Health and Senior Services**

**GRANT COMPLIANCE REQUIREMENTS**

Grant Title: Mutual Agreement Parolee Rehabilitation Project for Substance Abusers

Account Number: 100 046 4240 029

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**I. GENERAL STATE REQUIREMENTS**

The following administrative requirements are applicable to the various types of agencies, which receive grant funds from the Department of Health and Senior Services.

**A. COMPLIANCE REQUIREMENTS**

**1. POLITICAL ACTIVITY**

Grant funds cannot be used for partisan political activity of any kind by any person or organization involved in the administration of state or federally-assisted programs. Hatch Act (5 U.S.C. 1501-1508) and Intergovernmental Personnel Act of 1970 as amended by Title VI of Civil Service Reform Act (P.L. 95-454 Section 4728).

Suggested Audit Procedures

Test the expenditure and related records for indications of lobbying activities, publications, or other materials intended for influencing legislation or similar type costs.

Test the personnel and payroll records, and identify persons whose responsibilities or activities include political activity.

Test whether the above costs, if any exist, are charged directly or indirectly, to Grants.

**2. DAVIS-BACON ACT**

When required by the grant program legislation, all laborers and mechanics employed by contractors or subcontractors to work on construction projects must be paid wages not less than those established for the locality of the project by the Secretary of Labor.

(40 Stat. 1491, Mar 3, 1921, Chap. 411, 40 U.S.C. 276A-276A-5).

Suggested Audit Procedures

Identify the programs involving construction activities.

Review selected construction contracts and subcontracts and determine whether they contain provisions requiring the payment of "prevailing" wages.

Review the grantee's system for monitoring applicable contractors and subcontractors with respect to payment of prevailing wages and evaluate for adequacy.

Review the monitoring system for contracts for selected programs and determine whether there is adherence to the prescribed procedures.

For grantee's which have not developed a system, or whose system is not operating effectively:

- Obtain payroll lists from contractors and review wages paid.
- Determine whether wages paid conform to the prevailing wages.

3. CIVIL RIGHTS

No person shall, on the grounds of race, color, national origin, age, or handicap, be excluded from participation in or be subjected to discrimination in any program or activity funded, in whole or in part, by grant funds. Discrimination on the basis of sex or religion is also prohibited in some programs. (Age-42 U.S.C. 6101 et. seq.; Race-42 U.S.C. 2000d; Handicap-29 U.S.C. 794.)

Suggested Audit Procedures

Determine whether the grantee has announced a formal policy of nondiscrimination.

For recipients employing 15 or more persons, ascertain whether a person has been designated to oversee civil rights compliance.

Ascertain from the grant agreement whether any of the programs contain prohibitions against discrimination on the basis of sex or religion.

Ascertain the number of complaints filed with federal, state and/or local agencies responsible for ensuring nondiscrimination in government programs during the fiscal year, the status of unresolved complaints or investigations, and the actions taken on resolved complaints or completed investigations.

Ascertain whether any of the programs contain prohibitions against discrimination in employment; for those programs (1) review the annual report filed with the Equal Employment Opportunity Commission (EEOC), if any, and (2) ascertain the number of complaints filed during the fiscal year, the status of unresolved complaints and investigations, and the actions taken on resolved complaints or completed investigations.

Determine whether facilities financed by grant funds that are required to be located in a nondiscriminatory manner are so located.

Obtain representation and/or attorney letters to determine if any civil rights suits have been adjudicated or are pending.

4. AMERICANS WITH DISABILITIES ACT OF 1990

Any Program or activity funded, in whole or in part, by State and/or Federal Funds is subject to the Americans with Disabilities Act of 1990. Title II of the Americans with Disabilities Act (ADA) provides that "no qualified individual with a disability shall, by reason of such disability, be excluded from participation in or be denied the benefits of the services, programs, or activities of a public entity, or be subjected to discrimination by such entity." 42 U.S.C., 12132 et. seq.

Suggested Audit Procedures

Determine if the Grantee is in compliance with the Americans with Disabilities Act of 1990.

5. DEBARMENT AND SUSPENSION

Federal Executive Order 12549 "Debarment and Suspension," and State Executive Order 34/1976 state that a grantee may not be eligible for an award funded by Department appropriations if the agency, its key employees or subgrantees have been debarred from Federal Procurement and Non-Procurement programs.

Suggested Audit Procedures

Verify that the grantee, its key employees or subgrantees have not been debarred from State or Federal Procurement and Non-Procurement Programs.

6. LOBBYING

Section 319 of Federal Public Law 101-121 prohibits recipients of contracts, grants and loans from using appropriated funds for lobbying the Executive or Legislative Branches of Government in connection with a specific contract, grant or loan. Section 319 also requires that each person who requests or receives a contract, grant, cooperative agreement, loan or a commitment to insure or guarantee a loan, must disclose lobbying activities.

Suggested Audit Procedures

Verify that funds have not been used for lobbying activities as stated in Section 1352 of Public Law 101-121.

Verify that the Standard Form-LLL, "Disclosure Form to Report Lobbying" was completed indicating to whom payments were made, how much money was involved and the type of work involved. Verify that the standard form was submitted to the Granting Agency to disclose activities pursuant to 31 U.S.C. 1352.

7. GRANTEE'S TERMS & CONDITIONS FOR ADMINISTRATION OF GRANTS

Administrative and financial requirements stated in this manual are applicable to all agencies, which receive grant funds from the Department.

Suggested Audit Procedures

Determine if the grantee is in compliance with laws, regulations and administrative and financial requirements and funds have been applied efficiently, economically and effectively.

8. FEDERAL FINANCIAL REPORTS

Most programs require the periodic submission of financial reports that fall within one or more of the following categories. The specific requirement for each grant program is presented in Attachment A of the Grant and the appropriate sub-part of the Terms and Conditions for the Administration of Grants for that program. The suggested audit procedures are provided below to facilitate the requirement for the auditor to comment on completeness and accuracy.

- a. Subpart R of the Terms and Conditions lists required financial reports that apply to most of the programs described in this document.
- b. Subpart F and G of the Terms and Conditions list cash management and payments requirements.

Suggested Audit Procedures

Review the procedures for preparing the financial reports and evaluate for adequacy.

Trace data to the supporting documentation, i.e., worksheets, ledgers, etc.

Review adjustments made to the general ledger amounts in the report affecting programs and evaluate for propriety.

9. LOCAL/STATE FIRE AND SAFETY CODES

Suggested Audit Procedures

Verify that the grantee's Local/State Fire and Safety Codes are in accordance to the uniform Fire Safety Act, NJAC 518, related statute NJSA 52, code 27-D-1-9-2.

10. PRO-CHILDREN ACT OF 1994 - ENVIRONMENTAL TOBACCO SMOKE

This act requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, early childhood development services, education or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan or loan guarantee. The law also applies to children's services that are provided in indoor facilities that are constructed, operated, or maintained with such federal funds. The law does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment service providers whose sole source of applicable Federal funds is Medicare or Medicaid; or facilities where WIC coupons are redeemed. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1,000 for each violation and/or the imposition of an administrative compliance order on the responsible entity. If applicable, the grantee is to sign a certification indicating that the agency/organization will comply with the requirements of the Act and will not allow smoking within any portion of any indoor facility used for the provision of services for children as defined by the Act.

Suggested Audit Procedures

Determine if the grantee is in compliance with the Pro-Children Act of 1994 and a certification has been signed and is on file in the agency's office.

**SPECIFIC STATE REQUIREMENTS**

**I. PROGRAM OBJECTIVES**

Refer to Attachment C of each grant award for additional specific objectives.

**II. PROGRAM PROCEDURES**

Third party subrecipients submit health service applications identifying their ability to provide specific services for this population. Individual grants are negotiated between subrecipients and Division of Alcoholism. Funding established through inter-agency agreement.



**III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES**

**A. TYPES OF SERVICES ALLOWED OR UNALLOWED**

Compliance Requirement

Moneys cannot be expended for other than the support services specified in the grant award.

Suggested Audit Procedures

- \* Review documentation related to grant expenditures;
- \* Test expenditures and related records.

**B. ELIGIBILITY**

Compliance Requirement

Client/inmates are pre-screened and selected by the Department of Corrections/Parole and sent to treatment agencies.

Suggested Audit Procedures

- \* None

**C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING REQUIREMENTS**

Compliance Requirement

See grant agreement.

Suggested Audit Procedures

- \* Review grant agreement to ensure compliance.

**D. REPORTING REQUIREMENTS**

Compliance Requirement

Fiscal and programmatic reports.

Agencies must also report weekly to Department of Corrections and notify immediately concerning any non-compliance.

Suggested Audit Procedures

- \* Review fiscal and programmatic reports.

**E. SPECIAL TESTS AND PROVISIONS**

Compliance Requirement

See grant agreement.

Suggested Audit Procedures

- \* Ensure compliance with grant agreement.

**New Jersey Department of Health and Senior Services**

**GRANT COMPLIANCE REQUIREMENTS**

Grant Title: In-State Juvenile Residential Treatment Services

Account Number: 100 046 4240 038

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**I. GENERAL STATE REQUIREMENTS**

The following administrative requirements are applicable to the various types of agencies, which receive grant funds from the Department of Health and Senior Services.

**A. COMPLIANCE REQUIREMENTS**

**1. POLITICAL ACTIVITY**

Grant funds cannot be used for partisan political activity of any kind by any person or organization involved in the administration of state or federally-assisted programs. Hatch Act (5 U.S.C. 1501-1508) and Intergovernmental Personnel Act of 1970 as amended by Title VI of Civil Service Reform Act (P.L. 95-454 Section 4728).

Suggested Audit Procedures

Test the expenditure and related records for indications of lobbying activities, publications, or other materials intended for influencing legislation or similar type costs.

Test the personnel and payroll records, and identify persons whose responsibilities or activities include political activity.

Test whether the above costs, if any exist, are charged directly or indirectly, to Grants.

**2. DAVIS-BACON ACT**

When required by the grant program legislation, all laborers and mechanics employed by contractors or subcontractors to work on construction projects must be paid wages not less than those established for the locality of the project by the Secretary of Labor.

(40 Stat. 1491, Mar 3, 1921, Chap. 411, 40 U.S.C. 276A-276A-5).

Suggested Audit Procedures

Identify the programs involving construction activities.

Review selected construction contracts and subcontracts and determine whether they contain provisions requiring the payment of "prevailing" wages.

Review the grantee's system for monitoring applicable contractors and subcontractors with respect to payment of prevailing wages and evaluate for adequacy.

Review the monitoring system for contracts for selected programs and determine whether there is adherence to the prescribed procedures.

For grantee's which have not developed a system, or whose system is not operating effectively:

- Obtain payroll lists from contractors and review wages paid.
- Determine whether wages paid conform to the prevailing wages.

3. CIVIL RIGHTS

No person shall, on the grounds of race, color, national origin, age, or handicap, be excluded from participation in or be subjected to discrimination in any program or activity funded, in whole or in part, by grant funds. Discrimination on the basis of sex or religion is also prohibited in some programs. (Age-42 U.S.C. 6101 et. seq.; Race-42 U.S.C. 2000d; Handicap-29 U.S.C. 794.)

Suggested Audit Procedures

Determine whether the grantee has announced a formal policy of nondiscrimination.

For recipients employing 15 or more persons, ascertain whether a person has been designated to oversee civil rights compliance.

Ascertain from the grant agreement whether any of the programs contain prohibitions against discrimination on the basis of sex or religion.

Ascertain the number of complaints filed with federal, state and/or local agencies responsible for ensuring nondiscrimination in government programs during the fiscal year, the status of unresolved complaints or investigations, and the actions taken on resolved complaints or completed investigations.

Ascertain whether any of the programs contain prohibitions against discrimination in employment; for those programs (1) review the annual report filed with the Equal Employment Opportunity Commission (EEOC), if any, and (2) ascertain the number of complaints filed during the fiscal year, the status of unresolved complaints and investigations, and the actions taken on resolved complaints or completed investigations.

Determine whether facilities financed by grant funds that are required to be located in a nondiscriminatory manner are so located.

Obtain representation and/or attorney letters to determine if any civil rights suits have been adjudicated or are pending.

4. AMERICANS WITH DISABILITIES ACT OF 1990

Any Program or activity funded, in whole or in part, by State and/or Federal Funds is subject to the Americans with Disabilities Act of 1990. Title II of the Americans with Disabilities Act (ADA) provides that "no qualified individual with a disability shall, by reason of such disability, be excluded from participation in or be denied the benefits of the services, programs, or activities of a public entity, or be subjected to discrimination by such entity." 42 U.S.C., 12132 et. seq.

Suggested Audit Procedures

Determine if the Grantee is in compliance with the Americans with Disabilities Act of 1990.

5. DEBARMENT AND SUSPENSION

Federal Executive Order 12549 "Debarment and Suspension," and State Executive Order 34/1976 state that a grantee may not be eligible for an award funded by Department appropriations if the agency, its key employees or subgrantees have been debarred from Federal Procurement and Non-Procurement programs.

Suggested Audit Procedures

Verify that the grantee, its key employees or subgrantees have not been debarred from State or Federal Procurement and Non-Procurement Programs.

6. LOBBYING

Section 319 of Federal Public Law 101-121 prohibits recipients of contracts, grants and loans from using appropriated funds for lobbying the Executive or Legislative Branches of Government in connection with a specific contract, grant or loan. Section 319 also requires that each person who requests or receives a contract, grant, cooperative agreement, loan or a commitment to insure or guarantee a loan, must disclose lobbying activities.

Suggested Audit Procedures

Verify that funds have not been used for lobbying activities as stated in Section 1352 of Public Law 101-121.

Verify that the Standard Form-LLL, "Disclosure Form to Report Lobbying" was completed indicating to whom payments were made, how much money was involved and the type of work involved. Verify that the standard form was submitted to the Granting Agency to disclose activities pursuant to 31 U.S.C. 1352.

7. GRANTEE'S TERMS & CONDITIONS FOR ADMINISTRATION OF GRANTS

Administrative and financial requirements stated in this manual are applicable to all agencies, which receive grant funds from the Department.

Suggested Audit Procedures

Determine if the grantee is in compliance with laws, regulations and administrative and financial requirements and funds have been applied efficiently, economically and effectively.

8. FEDERAL FINANCIAL REPORTS

Most programs require the periodic submission of financial reports that fall within one or more of the following categories. The specific requirement for each grant program is presented in Attachment A of the Grant and the appropriate sub-part of the Terms and Conditions for the Administration of Grants for that program. The suggested audit procedures are provided below to facilitate the requirement for the auditor to comment on completeness and accuracy.

- a. Subpart R of the Terms and Conditions lists required financial reports that apply to most of the programs described in this document.
- b. Subpart F and G of the Terms and Conditions list cash management and payments requirements.

Suggested Audit Procedures

Review the procedures for preparing the financial reports and evaluate for adequacy.

Trace data to the supporting documentation, i.e., worksheets, ledgers, etc.

Review adjustments made to the general ledger amounts in the report affecting programs and evaluate for propriety.

9. LOCAL/STATE FIRE AND SAFETY CODES

Suggested Audit Procedures

Verify that the grantee's Local/State Fire and Safety Codes are in accordance to the uniform Fire Safety Act, NJAC 518, related statute NJSA 52, code 27-D-1-9-2.

10. PRO-CHILDREN ACT OF 1994 - ENVIRONMENTAL TOBACCO SMOKE

This act requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, early childhood development services, education or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan or loan guarantee. The law also applies to children's services that are provided in indoor facilities that are constructed, operated, or maintained with such federal funds. The law does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment service providers whose sole source of applicable Federal funds is Medicare or Medicaid; or facilities where WIC coupons are redeemed. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1,000 for each violation and/or the imposition of an administrative compliance order on the responsible entity. If applicable, the grantee is to sign a certification indicating that the agency/organization will comply with the requirements of the Act and will not allow smoking within any portion of any indoor facility used for the provision of services for children as defined by the Act.

Suggested Audit Procedures

Determine if the grantee is in compliance with the Pro-Children Act of 1994 and a certification has been signed and is on file in the agency's office.

**SPECIFIC STATE REQUIREMENTS**

**I. PROGRAM OBJECTIVES**

The objective of the Inmate Residential Drug Treatment Program is to place State prison inmates identified as having histories of drug abuse addiction into residential treatment programs during the final phase of their incarceration.

**II. PROGRAM PROCEDURES**

Funds are distributed to third party subrecipients upon submission of a Grant Application for Health Service to provide residential treatment services to the drug abusing client population. Applications are reviewed and funding is recommended to the Department upon availability of funds.

**III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES**

**A. TYPES OF SERVICES ALLOWED OR UNALLOWED**

Compliance Requirement

Moneys cannot be expended for other than residential treatment services for the drug abusing client.

Suggested Audit Procedures

- \* Review grant agreement and determine any special conditions;
- \* Test expenditures and related records.

**B. ELIGIBILITY**

Compliance Requirement

Funds are provided to State prison inmates identified as having histories of drug abuse addiction.

Suggested Audit Procedures

- \* Review and test records.

**C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING REQUIREMENTS**

None

**D. REPORTING REQUIREMENTS**

Compliance Requirement

Monthly Financial Reports.

Quarterly Performance Reports.

Suggested Audit Procedures

- \* Review and test for accuracy of reports;
- \* Determine that reports were submitted on a timely basis.

**E. SPECIAL TESTS AND PROVISIONS**

None

**New Jersey Department of Health and Senior Services**

**GRANT COMPLIANCE REQUIREMENTS**

Grant Title: Substance Abuse Treatment for DYFS/Work First Mothers

Account Number: 100 046 4240 139  
100 046 4240 157

**I. GENERAL STATE REQUIREMENTS**

The following administrative requirements are applicable to the various types of agencies, which receive grant funds from the Department of Health and Senior Services.

**A. COMPLIANCE REQUIREMENTS**

**1. POLITICAL ACTIVITY**

Grant funds cannot be used for partisan political activity of any kind by any person or organization involved in the administration of state or federally-assisted programs. Hatch Act (5 U.S.C. 1501-1508) and Intergovernmental Personnel Act of 1970 as amended by Title VI of Civil Service Reform Act (P.L. 95-454 Section 4728).

Suggested Audit Procedures

Test the expenditure and related records for indications of lobbying activities, publications, or other materials intended for influencing legislation or similar type costs.

Test the personnel and payroll records, and identify persons whose responsibilities or activities include political activity.

Test whether the above costs, if any exist, are charged directly or indirectly, to Grants.

**2. DAVIS-BACON ACT**

When required by the grant program legislation, all laborers and mechanics employed by contractors or subcontractors to work on construction projects must be paid wages not less than those established for the locality of the project by the Secretary of Labor.

(40 Stat. 1491, Mar 3, 1921, Chap. 411, 40 U.S.C. 276A-276A-5).

Suggested Audit Procedures

Identify the programs involving construction activities.

Review selected construction contracts and subcontracts and determine whether they contain provisions requiring the payment of "prevailing" wages.

Review the grantee's system for monitoring applicable contractors and subcontractors with respect to payment of prevailing wages and evaluate for adequacy.



Review the monitoring system for contracts for selected programs and determine whether there is adherence to the prescribed procedures.

For grantee's which have not developed a system, or whose system is not operating effectively:

- Obtain payroll lists from contractors and review wages paid.
- Determine whether wages paid conform to the prevailing wages.

### 3. CIVIL RIGHTS

No person shall, on the grounds of race, color, national origin, age, or handicap, be excluded from participation in or be subjected to discrimination in any program or activity funded, in whole or in part, by grant funds. Discrimination on the basis of sex or religion is also prohibited in some programs. (Age-42 U.S.C. 6101 et. seq.; Race-42 U.S.C. 2000d; Handicap-29 U.S.C. 794.)

#### Suggested Audit Procedures

Determine whether the grantee has announced a formal policy of nondiscrimination.

For recipients employing 15 or more persons, ascertain whether a person has been designated to oversee civil rights compliance.

Ascertain from the grant agreement whether any of the programs contain prohibitions against discrimination on the basis of sex or religion.

Ascertain the number of complaints filed with federal, state and/or local agencies responsible for ensuring nondiscrimination in government programs during the fiscal year, the status of unresolved complaints or investigations, and the actions taken on resolved complaints or completed investigations.

Ascertain whether any of the programs contain prohibitions against discrimination in employment; for those programs (1) review the annual report filed with the Equal Employment Opportunity Commission (EEOC), if any, and (2) ascertain the number of complaints filed during the fiscal year, the status of unresolved complaints and investigations, and the actions taken on resolved complaints or completed investigations.

Determine whether facilities financed by grant funds that are required to be located in a nondiscriminatory manner are so located.

Obtain representation and/or attorney letters to determine if any civil rights suits have been adjudicated or are pending.

### 4. AMERICANS WITH DISABILITIES ACT OF 1990

Any Program or activity funded, in whole or in part, by State and/or Federal Funds is subject to the Americans with Disabilities Act of 1990. Title II of the Americans with Disabilities Act (ADA) provides that "no qualified individual with a disability shall, by reason of such disability, be excluded from participation in or be denied the benefits of the services, programs, or activities of a public entity, or be subjected to discrimination by such entity." 42 U.S.C., 12132 et. seq.

#### Suggested Audit Procedures

Determine if the Grantee is in compliance with the Americans with Disabilities Act of 1990.

5. DEBARMENT AND SUSPENSION

Federal Executive Order 12549 "Debarment and Suspension," and State Executive Order 34/1976 state that a grantee may not be eligible for an award funded by Department appropriations if the agency, its key employees or subgrantees have been debarred from Federal Procurement and Non-Procurement programs.

Suggested Audit Procedures

Verify that the grantee, its key employees or subgrantees have not been debarred from State or Federal Procurement and Non-Procurement Programs.

6. LOBBYING

Section 319 of Federal Public Law 101-121 prohibits recipients of contracts, grants and loans from using appropriated funds for lobbying the Executive or Legislative Branches of Government in connection with a specific contract, grant or loan. Section 319 also requires that each person who requests or receives a contract, grant, cooperative agreement, loan or a commitment to insure or guarantee a loan, must disclose lobbying activities.

Suggested Audit Procedures

Verify that funds have not been used for lobbying activities as stated in Section 1352 of Public Law 101-121.

Verify that the Standard Form-LLL, "Disclosure Form to Report Lobbying" was completed indicating to whom payments were made, how much money was involved and the type of work involved. Verify that the standard form was submitted to the Granting Agency to disclose activities pursuant to 31 U.S.C. 1352.

7. GRANTEE'S TERMS & CONDITIONS FOR ADMINISTRATION OF GRANTS

Administrative and financial requirements stated in this manual are applicable to all agencies, which receive grant funds from the Department.

Suggested Audit Procedures

Determine if the grantee is in compliance with laws, regulations and administrative and financial requirements and funds have been applied efficiently, economically and effectively.

8. FEDERAL FINANCIAL REPORTS

Most programs require the periodic submission of financial reports that fall within one or more of the following categories. The specific requirement for each grant program is presented in Attachment A of the Grant and the appropriate sub-part of the Terms and Conditions for the Administration of Grants for that program. The suggested audit procedures are provided below to facilitate the requirement for the auditor to comment on completeness and accuracy.

- a. Subpart R of the Terms and Conditions lists required financial reports that apply to most of the programs described in this document.
- b. Subpart F and G of the Terms and Conditions list cash management and payments requirements.

Suggested Audit Procedures

Review the procedures for preparing the financial reports and evaluate for adequacy.

Trace data to the supporting documentation, i.e., worksheets, ledgers, etc.

Review adjustments made to the general ledger amounts in the report affecting programs and evaluate for propriety.

9. LOCAL/STATE FIRE AND SAFETY CODES

Suggested Audit Procedures

Verify that the grantee's Local/State Fire and Safety Codes are in accordance to the uniform Fire Safety Act, NJAC 518, related statute NJSA 52, code 27-D-1-9-2.

10. PRO-CHILDREN ACT OF 1994 - ENVIRONMENTAL TOBACCO SMOKE

This act requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, early childhood development services, education or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan or loan guarantee. The law also applies to children's services that are provided in indoor facilities that are constructed, operated, or maintained with such federal funds. The law does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment service providers whose sole source of applicable Federal funds is Medicare or Medicaid; or facilities where WIC coupons are redeemed. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1,000 for each violation and/or the imposition of an administrative compliance order on the responsible entity. If applicable, the grantee is to sign a certification indicating that the agency/organization will comply with the requirements of the Act and will not allow smoking within any portion of any indoor facility used for the provision of services for children as defined by the Act.

Suggested Audit Procedures

Determine if the grantee is in compliance with the Pro-Children Act of 1994 and a certification has been signed and is on file in the agency's office.

**II. SPECIFIC STATE REQUIREMENTS**

A. Applicable Statute (or)

1. New Jersey Legislation: P.L. 1997 C. 131

B. Applicable Federal Domestic Assistance Catalog Number

None

C. Program Objectives

1. To provide residential and intensive outpatient substance abuse treatment services to Women and Children who are under DYFS supervision and eligible for participation in Work First-and who are residents-of Asbury Park, Jersey City and Newark.
2. Refer to Attachment C of each grant award for additional specific objectives.

D. Program Procedures

1. Funds are provided to grantees upon submission of a grant application for health service to provide services to substance abusing client population. Applications are reviewed and funding is recommended to the Department upon availability of funds.

E. State Compliance Requirements

1. Types of Services Allowed or Unallowed

a. Compliance Requirements

Grant money may be expended for only those cost categories listed in individual grants. Department must approve any subgrant. Reimbursement for such services will not be authorized unless the legal agreement for such services has been approved by the Grant Management Officer.

Any changes to the scope of services or to the budget must be approved in writing by the Department.

b. Suggested Audit Procedures

Review documentation related to grant expenditures.

Test expenditure and related records.

2. Eligibility

a. Compliance Requirements

Public or non-profit private entity. Proper facility license.

b. Suggested Audit Procedures

Check documentation for non-profit status and licensure to determine applicability, appropriateness and validity.

3. Matching, Level of Effort, and/or Allocation Requirements

a. Compliance Requirement

None

b. Suggested Audit Procedures

4. Reporting Requirements

a. Compliance Requirements

The following reports must be submitted as specified in Grant.

1. Invoice
2. Report of Grant Expenditure
3. Grant Progress Report

b. Suggested Audit Procedures

Review all forms for completeness.

Test accuracy of reports.

Determine if reports were submitted on a timely basis.

5. Special Tests and provisions

a. Compliance Requirements

None

b. Suggested Audit Procedures

**II. SPECIFIC STATE REQUIREMENTS**

A. Statute

1. P.L., 1997 Chapters 13, 14, 37 and 38.

B. Program Objectives

1. To provide state-wide care coordination services in the 21 counties of New Jersey to Work First New Jersey recipients in need of substance abuse treatment to succeed in getting and maintaining employment.
2. Refer to Attachment C of the grant award for additional specific objectives.

C. Program Procedures

1. Funds are provided to the Grantee upon submission of a Health Services Grant application to provide Care Coordination Services in the 21 counties. Applications are reviewed and funding is recommended to the Department upon availability of funds.

D. State Compliance Requirements

1. Types of Services Allowed or Unallowed

A. Compliance Requirements

Monies cannot be expended for other than the support services mentioned in the grant award.

B. Suggested Audit Procedures

Review Grant Award and determine if there are special conditions.

Test expenditures and related records.

2. Reporting Requirements

A. Compliance Requirements

Standard Fiscal reporting requirements.

Required to submit quarterly programmatic progress reports.

See Attachment "C" - required to monitor subgrants quarterly and maintain records.

B. Suggested Audit Procedures

Review fiscal records/reports.

Review quarterly reports to State.

Review quarterly reports of subgrantees.

Test accuracy of records.

Determine if reports were submitted on a timely basis.

**New Jersey Department of Health and Senior Services**

**GRANT COMPLIANCE REQUIREMENTS**

Grant Title: Alcohol, Education, Rehabilitation and Enforcement Trust Fund

Account Number: 760 046 4240 001

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**I. GENERAL STATE REQUIREMENTS**

The following administrative requirements are applicable to the various types of agencies, which receive grant funds from the Department of Health and Senior Services.

**A. COMPLIANCE REQUIREMENTS**

**1. POLITICAL ACTIVITY**

Grant funds cannot be used for partisan political activity of any kind by any person or organization involved in the administration of state or federally-assisted programs. Hatch Act (5 U.S.C. 1501-1508) and Intergovernmental Personnel Act of 1970 as amended by Title VI of Civil Service Reform Act (P.L. 95-454 Section 4728).

Suggested Audit Procedures

Test the expenditure and related records for indications of lobbying activities, publications, or other materials intended for influencing legislation or similar type costs.

Test the personnel and payroll records, and identify persons whose responsibilities or activities include political activity.

Test whether the above costs, if any exist, are charged directly or indirectly, to Grants.

**2. DAVIS-BACON ACT**

When required by the grant program legislation, all laborers and mechanics employed by contractors or subcontractors to work on construction projects must be paid wages not less than those established for the locality of the project by the Secretary of Labor.

(40 Stat. 1491, Mar 3, 1921, Chap. 411, 40 U.S.C. 276A-276A-5).

Suggested Audit Procedures

Identify the programs involving construction activities.

Review selected construction contracts and subcontracts and determine whether they contain provisions requiring the payment of "prevailing" wages.

Review the grantee's system for monitoring applicable contractors and subcontractors with respect to payment of prevailing wages and evaluate for adequacy.

Review the monitoring system for contracts for selected programs and determine whether there is adherence to the prescribed procedures.

For grantee's which have not developed a system, or whose system is not operating effectively:

- Obtain payroll lists from contractors and review wages paid.
- Determine whether wages paid conform to the prevailing wages.

### 3. CIVIL RIGHTS

No person shall, on the grounds of race, color, national origin, age, or handicap, be excluded from participation in or be subjected to discrimination in any program or activity funded, in whole or in part, by grant funds. Discrimination on the basis of sex or religion is also prohibited in some programs. (Age-42 U.S.C. 6101 et. seq.; Race-42 U.S.C. 2000d; Handicap-29 U.S.C. 794.)

#### Suggested Audit Procedures

Determine whether the grantee has announced a formal policy of nondiscrimination.

For recipients employing 15 or more persons, ascertain whether a person has been designated to oversee civil rights compliance.

Ascertain from the grant agreement whether any of the programs contain prohibitions against discrimination on the basis of sex or religion.

Ascertain the number of complaints filed with federal, state and/or local agencies responsible for ensuring nondiscrimination in government programs during the fiscal year, the status of unresolved complaints or investigations, and the actions taken on resolved complaints or completed investigations.

Ascertain whether any of the programs contain prohibitions against discrimination in employment; for those programs (1) review the annual report filed with the Equal Employment Opportunity Commission (EEOC), if any, and (2) ascertain the number of complaints filed during the fiscal year, the status of unresolved complaints and investigations, and the actions taken on resolved complaints or completed investigations.

Determine whether facilities financed by grant funds that are required to be located in a nondiscriminatory manner are so located.

Obtain representation and/or attorney letters to determine if any civil rights suits have been adjudicated or are pending.

### 4. AMERICANS WITH DISABILITIES ACT OF 1990

Any Program or activity funded, in whole or in part, by State and/or Federal Funds is subject to the Americans with Disabilities Act of 1990. Title II of the Americans with Disabilities Act (ADA) provides that "no qualified individual with a disability shall, by reason of such disability, be excluded from participation in or be denied the benefits of the services, programs, or activities of a public entity, or be subjected to discrimination by such entity." 42 U.S.C., 12132 et. seq.

#### Suggested Audit Procedures

Determine if the Grantee is in compliance with the Americans with Disabilities Act of 1990.



5. DEBARMENT AND SUSPENSION

Federal Executive Order 12549 "Debarment and Suspension," and State Executive Order 34/1976 state that a grantee may not be eligible for an award funded by Department appropriations if the agency, its key employees or subgrantees have been debarred from Federal Procurement and Non-Procurement programs.

Suggested Audit Procedures

Verify that the grantee, its key employees or subgrantees have not been debarred from State or Federal Procurement and Non-Procurement Programs.

6. LOBBYING

Section 319 of Federal Public Law 101-121 prohibits recipients of contracts, grants and loans from using appropriated funds for lobbying the Executive or Legislative Branches of Government in connection with a specific contract, grant or loan. Section 319 also requires that each person who requests or receives a contract, grant, cooperative agreement, loan or a commitment to insure or guarantee a loan, must disclose lobbying activities.

Suggested Audit Procedures

Verify that funds have not been used for lobbying activities as stated in Section 1352 of Public Law 101-121.

Verify that the Standard Form-LLL, "Disclosure Form to Report Lobbying" was completed indicating to whom payments were made, how much money was involved and the type of work involved. Verify that the standard form was submitted to the Granting Agency to disclose activities pursuant to 31 U.S.C. 1352.

7. GRANTEE'S TERMS & CONDITIONS FOR ADMINISTRATION OF GRANTS

Administrative and financial requirements stated in this manual are applicable to all agencies, which receive grant funds from the Department.

Suggested Audit Procedures

Determine if the grantee is in compliance with laws, regulations and administrative and financial requirements and funds have been applied efficiently, economically and effectively.

8. FEDERAL FINANCIAL REPORTS

Most programs require the periodic submission of financial reports that fall within one or more of the following categories. The specific requirement for each grant program is presented in Attachment A of the Grant and the appropriate sub-part of the Terms and Conditions for the Administration of Grants for that program. The suggested audit procedures are provided below to facilitate the requirement for the auditor to comment on completeness and accuracy.

- a. Subpart R of the Terms and Conditions lists required financial reports that apply to most of the programs described in this document.
- b. Subpart F and G of the Terms and Conditions list cash management and payments requirements.

Suggested Audit Procedures

Review the procedures for preparing the financial reports and evaluate for adequacy.

Trace data to the supporting documentation, i.e., worksheets, ledgers, etc.

Review adjustments made to the general ledger amounts in the report affecting programs and evaluate for propriety.

9. LOCAL/STATE FIRE AND SAFETY CODES

Suggested Audit Procedures

Verify that the grantee's Local/State Fire and Safety Codes are in accordance to the uniform Fire Safety Act, NJAC 518, related statute NJSA 52, code 27-D-1-9-2.

10. PRO-CHILDREN ACT OF 1994 - ENVIRONMENTAL TOBACCO SMOKE

This act requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, early childhood development services, education or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan or loan guarantee. The law also applies to children's services that are provided in indoor facilities that are constructed, operated, or maintained with such federal funds. The law does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment service providers whose sole source of applicable Federal funds is Medicare or Medicaid; or facilities where WIC coupons are redeemed. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1,000 for each violation and/or the imposition of an administrative compliance order on the responsible entity. If applicable, the grantee is to sign a certification indicating that the agency/organization will comply with the requirements of the Act and will not allow smoking within any portion of any indoor facility used for the provision of services for children as defined by the Act.

Suggested Audit Procedures

Determine if the grantee is in compliance with the Pro-Children Act of 1994 and a certification has been signed and is on file in the agency's office.

**SPECIFIC STATE REQUIREMENTS**

**I. PROGRAM OBJECTIVES**

The objective of the Alcohol, Education, Rehabilitation and Enforcement Fund (Trust) Program is to:

Refer to Attachment C of each grant award for all "531" county contractual agreements for specific objectives.

**II. PROGRAM PROCEDURES**

Funds are distributed to counties on a formula based on population and need.

Counties must develop a Service Plan and obtain approval from the Division of Alcoholism.

This Service Plan must give special attention to urban areas with populations over 100,000 youth drinking drivers, alcoholism and women, alcoholism on the job, alcoholism and crime, public information and education programs.

### III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

#### A. TYPES OF SERVICES ALLOWED OR UNALLOWED

##### Compliance Requirement

Funds are expended according to a county plan and contractual agreement.

Subcontracts for service - Department of Health must approve any subcontract.

Reimbursement for such services will not be authorized unless legal agreement for such services has been approved by the Contract Management Officer.

##### Suggested Audit Procedures

- \* Review contractual agreement and determine any special conditions.
- \* Review contracts and compare to main Application.
- \* Test expenditures and related records.

#### B. ELIGIBILITY

None

#### C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING REQUIREMENTS

##### Compliance Requirement

As per P.L. 1984 Chapter 531, Section 12b:

"As a condition for receiving the allotment calculated in Sub Section a. of this section, a county shall contribute a sum not less than 25% of that county's allotment to fund community services for intoxicated persons and alcoholics pursuant to the county's comprehensive plan...the required 25% minimum county contribution may include any moneys currently appropriated by the county to meet the needs of the alcoholism programs"

"Moneys dedicated to education from the fund shall be first allocated in an amount not to exceed 20% of the annual education allotment for the in-service training programs.."

Education dollars will represent 10% of total allocation of the Alcohol, Education, Rehabilitation and Enforcement Fund.

##### Suggested Audit Procedures

- \* Ascertain amount reported as twenty-five (25) percent match;
- \* Ascertain amount reported for education and inservice training;

- \* Review financial records.

#### **D. REPORTING REQUIREMENTS**

##### Compliance Requirement

Standard fiscal reporting requirements.

Quarterly Programmatic Progress Reports.

Monitor subcontracts quarterly and maintain records.

##### Suggested Audit Procedures

Review:

- \* Fiscal records/reports;
- \* Quarterly Reports to State;
- \* Quarterly Reports to subcontractors.

#### **E. SPECIAL TESTS AND PROVISIONS**

None

### **SPECIFIC STATE REQUIREMENTS**

#### **I. PROGRAM OBJECTIVES**

The objective of the Alcohol, Education, Rehabilitation and Enforcement Fund (Trust) Program are to:

Increase penalties for conviction of an alcohol drug related motor vehicle offense including fines and detention.

Establish county or regional Intoxicated Driver Resource Centers (IDRCs) to provide client evaluation, treatment referral and monitoring of treatment for convicted offenders.

Refer to Attachment C of each contractual agreement for additional specific objectives.

#### **II. PROGRAM PROCEDURES**

Program funds are distributed to recipients based on an Application of Health Service Grant submitted annually for the purpose of reducing the number of automobile accidents which are caused by intoxicated drivers. Applications are reviewed and funding is based upon availability of funds.

#### **III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES**

##### **A. TYPES OF SERVICES ALLOWED OR UNALLOWED**

##### Compliance Requirement

Moneys cannot be expended for other than support services mentioned in contractual agreement.

Suggested Audit Procedures

- \* Review procedures in the IDRC Manual;
- \* Test expenditures and related records.

**B. ELIGIBILITY**

Compliance Requirement

All persons convicted of intoxicated driving in the State of New Jersey are considered in the Program, regardless of driving record (first, second, third and subsequent offenders).

Suggested Audit Procedures

Determine that:

- \* The client is tracked according to the IDRC manual;
- \* The IDRCs follow all policy and procedures that are separate of the manual.

**C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING REQUIREMENTS**

Compliance Requirement

No match is required, however, the law stipulates that program income must be collected at a per diem of twenty-five (25) dollars to be used to defray costs.

Suggested Audit Procedures

- \* Review the center's collection procedures to ensure that funds are collected for the sole purpose to defray costs and become self-sufficient.

**D. REPORTING REQUIREMENTS**

Compliance Requirement

Program and financial reports specified in contractual agreement.

Suggested Audit Procedures

- \* Review reports for completeness;
- \* Test accuracy of records.
- \* Determine that reports were submitted on a timely basis.

## **E. SPECIAL TESTS AND PROVISIONS**

### Compliance Requirements

Manuals have been standardized for the IDRCs.

Curriculum

Policy and Procedures.

### Suggested Audit Procedures

Verify:

- \* Compliance with evaluation component in manual;
- \* Referral of client is appropriate.

## **SPECIFIC STATE REQUIREMENTS**

### **I. PROGRAM OBJECTIVES**

The objective of the Alcohol, Education, Rehabilitation and Enforcement Fund (Trust) Program is to:

Refer to Attachment C of each grant award for all "531" county contractual agreements for specific objectives.

### **II. PROGRAM PROCEDURES**

Funds are distributed to counties on a formula based on population and need.

Counties must develop a Service Plan and obtain approval from the Division of Alcoholism.

This Service Plan must give special attention to urban areas with populations over 100,000 youth drinking drivers, alcoholism and women, alcoholism on the job, alcoholism and crime, public information and education programs.

### **III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES**

#### **A. TYPES OF SERVICES ALLOWED OR UNALLOWED**

##### Compliance Requirement

Funds are expended according to a county plan and contractual agreement.

Subcontracts for service -Department of Health must approve any subcontract.

Reimbursement for such services will not be authorized unless legal agreement for such services has been approved by the Contract Management Officer.

##### Suggested Audit Procedures

- \* Review contractual agreement and determine any special conditions.
- \* Review contracts and compare to main Application.

- \* Test expenditures and related records.

**B. ELIGIBILITY**

None

**C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING REQUIREMENTS**

Compliance Requirements

As per P.L. 1984 Chapter 531, Section 12b:

"As a condition for receiving the allotment calculated in Sub Section a. of this section, a county shall contribute a sum not less than 25% of that county's allotment to fund community services for intoxicated persons and alcoholics pursuant to the county's comprehensive plan...the required 25% minimum county contribution may include any moneys currently appropriated by the county to meet the needs of the alcoholism programs"

"Moneys dedicated to education from the fund shall be first allocated in an amount not to exceed 20% of the annual education allotment for the in-service training programs.."

Education dollars will represent 10% of total allocation of the Alcohol, Education, Rehabilitation and Enforcement Fund.

Suggested Audit Procedures

- \* Ascertain amount reported as twenty-five (25) percent match;
- \* Ascertain amount reported for education and inservice training;
- \* Review financial records.

**D. REPORTING REQUIREMENTS**

Compliance Requirement

Standard fiscal reporting requirements.

Quarterly Programmatic Progress Reports.

Monitor subcontracts quarterly and maintain records.

Suggested Audit Procedures

Review:

- \* Fiscal records/reports;
- \* Quarterly Reports to State;
- \* Quarterly Reports to subcontractors.

**E. SPECIAL TESTS AND PROVISIONS**

None



**New Jersey Department of Health and Senior Services**

**GRANT COMPLIANCE REQUIREMENTS**

Grant Title: Community Based Tobacco Programs

Account Number: 100 046 4240 165, 100 046 4240 166, 100 046 4240 167, 100 046 4240 168

**I. GENERAL STATE REQUIREMENTS**

The following administrative requirements are applicable to the various types of agencies, which receive grant funds from the Department of Health and Senior Services.

**A. COMPLIANCE REQUIREMENTS**

**1. POLITICAL ACTIVITY**

Grant funds cannot be used for partisan political activity of any kind by any person or organization involved in the administration of state or federally-assisted programs. Hatch Act (5 U.S.C. 1501-1508) and Intergovernmental Personnel Act of 1970 as amended by Title VI of Civil Service Reform Act (P.L. 95-454 Section 4728).

Suggested Audit Procedures

Test the expenditure and related records for indications of lobbying activities, publications, or other materials intended for influencing legislation or similar type costs.

Test the personnel and payroll records, and identify persons whose responsibilities or activities include political activity.

Test whether the above costs, if any exist, are charged directly or indirectly, to Grants.

**2. DAVIS-BACON ACT**

When required by the grant program legislation, all laborers and mechanics employed by contractors or subcontractors to work on construction projects must be paid wages not less than those established for the locality of the project by the Secretary of Labor.

(40 Stat. 1491, Mar 3, 1921, Chap. 411, 40 U.S.C. 276A-276A-5).

Suggested Audit Procedures

Identify the programs involving construction activities.

Review selected construction contracts and subcontracts and determine whether they contain provisions requiring the payment of "prevailing" wages.

Review the grantee's system for monitoring applicable contractors and subcontractors with respect to payment of prevailing wages and evaluate for adequacy.

Review the monitoring system for contracts for selected programs and determine whether there is adherence to the prescribed procedures.

For grantee's which have not developed a system, or whose system is not operating effectively:

- Obtain payroll lists from contractors and review wages paid.
- Determine whether wages paid conform to the prevailing wages.

### 3. CIVIL RIGHTS

No person shall, on the grounds of race, color, national origin, age, or handicap, be excluded from participation in or be subjected to discrimination in any program or activity funded, in whole or in part, by grant funds. Discrimination on the basis of sex or religion is also prohibited in some programs. (Age-42 U.S.C. 6101 et. seq.; Race-42 U.S.C. 2000d; Handicap-29 U.S.C. 794.)

#### Suggested Audit Procedures

Determine whether the grantee has announced a formal policy of nondiscrimination.

For recipients employing 15 or more persons, ascertain whether a person has been designated to oversee civil rights compliance.

Ascertain from the grant agreement whether any of the programs contain prohibitions against discrimination on the basis of sex or religion.

Ascertain the number of complaints filed with federal, state and/or local agencies responsible for ensuring nondiscrimination in government programs during the fiscal year, the status of unresolved complaints or investigations, and the actions taken on resolved complaints or completed investigations.

Ascertain whether any of the programs contain prohibitions against discrimination in employment; for those programs (1) review the annual report filed with the Equal Employment Opportunity Commission (EEOC), if any, and (2) ascertain the number of complaints filed during the fiscal year, the status of unresolved complaints and investigations, and the actions taken on resolved complaints or completed investigations.

Determine whether facilities financed by grant funds that are required to be located in a nondiscriminatory manner are so located.

Obtain representation and/or attorney letters to determine if any civil rights suits have been adjudicated or are pending.

### 4. AMERICANS WITH DISABILITIES ACT OF 1990

Any Program or activity funded, in whole or in part, by State and/or Federal Funds is subject to the Americans with Disabilities Act of 1990. Title II of the Americans with Disabilities Act (ADA) provides that "no qualified individual with a disability shall, by reason of such disability, be excluded from participation in or be denied the benefits of the services, programs, or activities of a public entity, or be subjected to discrimination by such entity." 42 U.S.C., 12132 et. seq.

#### Suggested Audit Procedures

Determine if the Grantee is in compliance with the Americans with Disabilities Act of 1990.

5. DEBARMENT AND SUSPENSION

Federal Executive Order 12549 "Debarment and Suspension," and State Executive Order 34/1976 state that a grantee may not be eligible for an award funded by Department appropriations if the agency, its key employees or subgrantees have been debarred from Federal Procurement and Non-Procurement programs.

Suggested Audit Procedures

Verify that the grantee, its key employees or subgrantees have not been debarred from State or Federal Procurement and Non-Procurement Programs.

6. LOBBYING

Section 319 of Federal Public Law 101-121 prohibits recipients of contracts, grants and loans from using appropriated funds for lobbying the Executive or Legislative Branches of Government in connection with a specific contract, grant or loan. Section 319 also requires that each person who requests or receives a contract, grant, cooperative agreement, loan or a commitment to insure or guarantee a loan, must disclose lobbying activities.

Suggested Audit Procedures

Verify that funds have not been used for lobbying activities as stated in Section 1352 of Public Law 101-121.

Verify that the Standard Form-LLL, "Disclosure Form to Report Lobbying" was completed indicating to whom payments were made, how much money was involved and the type of work involved. Verify that the standard form was submitted to the Granting Agency to disclose activities pursuant to 31 U.S.C. 1352.

7. GRANTEE'S TERMS & CONDITIONS FOR ADMINISTRATION OF GRANTS

Administrative and financial requirements stated in this manual are applicable to all agencies, which receive grant funds from the Department.

Suggested Audit Procedures

Determine if the grantee is in compliance with laws, regulations and administrative and financial requirements and funds have been applied efficiently, economically and effectively.

8. FEDERAL FINANCIAL REPORTS

Most programs require the periodic submission of financial reports that fall within one or more of the following categories. The specific requirement for each grant program is presented in Attachment A of the Grant and the appropriate sub-part of the Terms and Conditions for the Administration of Grants for that program. The suggested audit procedures are provided below to facilitate the requirement for the auditor to comment on completeness and accuracy.

- a. Subpart R of the Terms and Conditions lists required financial reports that apply to most of the programs described in this document.
- b. Subpart F and G of the Terms and Conditions list cash management and payments requirements.

Suggested Audit Procedures

Review the procedures for preparing the financial reports and evaluate for adequacy.

Trace data to the supporting documentation, i.e., worksheets, ledgers, etc.

Review adjustments made to the general ledger amounts in the report affecting programs and evaluate for propriety.

9. LOCAL/STATE FIRE AND SAFETY CODES

Suggested Audit Procedures

Verify that the grantee's Local/State Fire and Safety Codes are in accordance to the uniform Fire Safety Act, NJAC 518, related statute NJSA 52, code 27-D-1-9-2.

10. PRO-CHILDREN ACT OF 1994 - ENVIRONMENTAL TOBACCO SMOKE

This act requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, early childhood development services, education or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan or loan guarantee. The law also applies to children's services that are provided in indoor facilities that are constructed, operated, or maintained with such federal funds. The law does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment service providers whose sole source of applicable Federal funds is Medicare or Medicaid; or facilities where WIC coupons are redeemed. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1,000 for each violation and/or the imposition of an administrative compliance order on the responsible entity. If applicable, the grantee is to sign a certification indicating that the agency/organization will comply with the requirements of the Act and will not allow smoking within any portion of any indoor facility used for the provision of services for children as defined by the Act.

Suggested Audit Procedures

Determine if the grantee is in compliance with the Pro-Children Act of 1994 and a certification has been signed and is on file in the agency's office.

**II. SPECIFIC STATE REQUIREMENTS**

A. Applicable Statue (or)

**Statue:**

**1. New Jersey Legislation: P.L. 2002 c.33**

B. Applicable Federal Domestic Assistance Catalog Number

**None**

C. Program Objectives

1. **Decrease the acceptance of tobacco among all people; 2. Decrease the number of youths under 18 and young adults 18 to 24 who start smoking; 3. Increase the number of people who start treatment for nicotine addiction; 4. Decrease the exposure to environment tobacco smoke; 5. Reduce disparities in tobacco use and effects among different population groups.**
2. **Refer to Attachment C of each grant award for additional specific objectives**

D. Program Procedures

**Effective July 1, 2002, P.L. 2002 c.33 implemented Bill A2504, which appropriated \$30 million from cigarette excise tax to the DHSS to fund anti-smoking initiatives; to develop preventive and therapeutic control programs to help stop young people from smoking and help current smokers to quit.**

E. State Compliance Requirements

1. Types of Services Allowed or Unallowed

a. Compliance Requirements

**These funds are to be utilized solely to support the enforcement of P.L. 2002, c.33, as described above. Grant money may be expended only those cost categories listed in individual grants. Department must approve of any subgrant. Reimbursement for such services will not be authorized unless the legal agreement for such services has been approved by the Grant Management Officer.**

**Any changes to the scope of services or to the budget must be approved in writing by the Department.**

b. Suggested Audit Procedures

**Review documentation related to grant expenditures.**

**Test expenditure related records.**

2. Eligibility

a. Compliance Requirements

**Public or non-profit private entity. Proper facility license.**

**Expenditure and programmatic outcomes are reported not less than quarterly.**

b. Suggested Audit Procedures

**Review financial and performance reports for completeness.**

**Test accuracy of records.**

**Determine that reports were submitted on a timely basis.**

3. Matching, Level of Effort, and/or Allocation Requirements

- a. Compliance Requirement

**None**

- b. Suggested Audit Procedures

4. Reporting Requirements

- a. Compliance Requirements

**The following reports must be submitted as specified in the Grant.**

**1. Invoice**

**2. Report of Grant Expenditure**

**3. Grant Progress Report**

- b. Suggested Audit Procedures

**Review all forms for completeness**

**Test accuracy of reports**

**Determine if reports were submitted on a timely basis**

5. Special Tests and Provisions

- a. Compliance Requirements

**None**

- b. Suggested Audit Procedures

**New Jersey Department of Health and Senior Services**

**GRANT COMPLIANCE REQUIREMENTS**

Grant Title: AIDS Grants

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Account Number: 100 046 4245 056

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**I. GENERAL STATE REQUIREMENTS**

The following administrative requirements are applicable to the various types of agencies, which receive grant funds from the Department of Health and Senior Services.

**A. COMPLIANCE REQUIREMENTS**

**1. POLITICAL ACTIVITY**

Grant funds cannot be used for partisan political activity of any kind by any person or organization involved in the administration of state or federally-assisted programs. Hatch Act (5 U.S.C. 1501-1508) and Intergovernmental Personnel Act of 1970 as amended by Title VI of Civil Service Reform Act (P.L. 95-454 Section 4728).

Suggested Audit Procedures

Test the expenditure and related records for indications of lobbying activities, publications, or other materials intended for influencing legislation or similar type costs.

Test the personnel and payroll records, and identify persons whose responsibilities or activities include political activity.

Test whether the above costs, if any exist, are charged directly or indirectly, to Grants.

**2. DAVIS-BACON ACT**

When required by the grant program legislation, all laborers and mechanics employed by contractors or subcontractors to work on construction projects must be paid wages not less than those established for the locality of the project by the Secretary of Labor.

(40 Stat. 1491, Mar 3, 1921, Chap. 411, 40 U.S.C. 276A-276A-5).

Suggested Audit Procedures

Identify the programs involving construction activities.

Review selected construction contracts and subcontracts and determine whether they contain provisions requiring the payment of "prevailing" wages.

Review the grantee's system for monitoring applicable contractors and subcontractors with respect to payment of prevailing wages and evaluate for adequacy.

Review the monitoring system for contracts for selected programs and determine whether there is adherence to the prescribed procedures.

For grantee's which have not developed a system, or whose system is not operating effectively:

- Obtain payroll lists from contractors and review wages paid.
- Determine whether wages paid conform to the prevailing wages.

### 3. CIVIL RIGHTS

No person shall, on the grounds of race, color, national origin, age, or handicap, be excluded from participation in or be subjected to discrimination in any program or activity funded, in whole or in part, by grant funds. Discrimination on the basis of sex or religion is also prohibited in some programs. (Age-42 U.S.C. 6101 et. seq.; Race-42 U.S.C. 2000d; Handicap-29 U.S.C. 794.)

#### Suggested Audit Procedures

Determine whether the grantee has announced a formal policy of nondiscrimination.

For recipients employing 15 or more persons, ascertain whether a person has been designated to oversee civil rights compliance.

Ascertain from the grant agreement whether any of the programs contain prohibitions against discrimination on the basis of sex or religion.

Ascertain the number of complaints filed with federal, state and/or local agencies responsible for ensuring nondiscrimination in government programs during the fiscal year, the status of unresolved complaints or investigations, and the actions taken on resolved complaints or completed investigations.

Ascertain whether any of the programs contain prohibitions against discrimination in employment; for those programs (1) review the annual report filed with the Equal Employment Opportunity Commission (EEOC), if any, and (2) ascertain the number of complaints filed during the fiscal year, the status of unresolved complaints and investigations, and the actions taken on resolved complaints or completed investigations.

Determine whether facilities financed by grant funds that are required to be located in a nondiscriminatory manner are so located.

Obtain representation and/or attorney letters to determine if any civil rights suits have been adjudicated or are pending.

### 4. AMERICANS WITH DISABILITIES ACT OF 1990

Any Program or activity funded, in whole or in part, by State and/or Federal Funds is subject to the Americans with Disabilities Act of 1990. Title II of the Americans with Disabilities Act (ADA) provides that "no qualified individual with a disability shall, by reason of such disability, be excluded from participation in or be denied the benefits of the services, programs, or activities of a public entity, or be subjected to discrimination by such entity." 42 U.S.C., 12132 et. seq.

#### Suggested Audit Procedures

Determine if the Grantee is in compliance with the Americans with Disabilities Act of 1990.



5. DEBARMENT AND SUSPENSION

Federal Executive Order 12549 "Debarment and Suspension," and State Executive Order 34/1976 state that a grantee may not be eligible for an award funded by Department appropriations if the agency, its key employees or subgrantees have been debarred from Federal Procurement and Non-Procurement programs.

Suggested Audit Procedures

Verify that the grantee, its key employees or subgrantees have not been debarred from State or Federal Procurement and Non-Procurement Programs.

6. LOBBYING

Section 319 of Federal Public Law 101-121 prohibits recipients of contracts, grants and loans from using appropriated funds for lobbying the Executive or Legislative Branches of Government in connection with a specific contract, grant or loan. Section 319 also requires that each person who requests or receives a contract, grant, cooperative agreement, loan or a commitment to insure or guarantee a loan, must disclose lobbying activities.

Suggested Audit Procedures

Verify that funds have not been used for lobbying activities as stated in Section 1352 of Public Law 101-121.

Verify that the Standard Form-LLL, "Disclosure Form to Report Lobbying" was completed indicating to whom payments were made, how much money was involved and the type of work involved. Verify that the standard form was submitted to the Granting Agency to disclose activities pursuant to 31 U.S.C. 1352.

7. GRANTEE'S TERMS & CONDITIONS FOR ADMINISTRATION OF GRANTS

Administrative and financial requirements stated in this manual are applicable to all agencies, which receive grant funds from the Department.

Suggested Audit Procedures

Determine if the grantee is in compliance with laws, regulations and administrative and financial requirements and funds have been applied efficiently, economically and effectively.

8. FEDERAL FINANCIAL REPORTS

Most programs require the periodic submission of financial reports that fall within one or more of the following categories. The specific requirement for each grant program is presented in Attachment A of the Grant and the appropriate sub-part of the Terms and Conditions for the Administration of Grants for that program. The suggested audit procedures are provided below to facilitate the requirement for the auditor to comment on completeness and accuracy.

- a. Subpart R of the Terms and Conditions lists required financial reports that apply to most of the programs described in this document.
- b. Subpart F and G of the Terms and Conditions list cash management and payments requirements.

Suggested Audit Procedures

Review the procedures for preparing the financial reports and evaluate for adequacy.

Trace data to the supporting documentation, i.e., worksheets, ledgers, etc.

Review adjustments made to the general ledger amounts in the report affecting programs and evaluate for propriety.

9. LOCAL/STATE FIRE AND SAFETY CODES

Suggested Audit Procedures

Verify that the grantee's Local/State Fire and Safety Codes are in accordance to the uniform Fire Safety Act, NJAC 518, related statute NJSA 52, code 27-D-1-9-2.

10. PRO-CHILDREN ACT OF 1994 - ENVIRONMENTAL TOBACCO SMOKE

This act requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, early childhood development services, education or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan or loan guarantee. The law also applies to children's services that are provided in indoor facilities that are constructed, operated, or maintained with such federal funds. The law does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment service providers whose sole source of applicable Federal funds is Medicare or Medicaid; or facilities where WIC coupons are redeemed. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1,000 for each violation and/or the imposition of an administrative compliance order on the responsible entity. If applicable, the grantee is to sign a certification indicating that the agency/organization will comply with the requirements of the Act and will not allow smoking within any portion of any indoor facility used for the provision of services for children as defined by the Act.

Suggested Audit Procedures

Determine if the grantee is in compliance with the Pro-Children Act of 1994 and a certification has been signed and is on file in the agency's office.

**SPECIFIC STATE REQUIREMENTS**

**I. PROGRAM OBJECTIVES**

The objective of the AIDS Screening and Treatment Program is to provide:

Ambulatory care services to AIDS patients and their families.

Clinical evaluation and laboratory diagnostic test to AIDS patients and individuals at risk.

Educational programs, counseling services and other social services to AIDS patients, families and other individuals at risk of AIDS.

Training to dental practitioners and provide a Dental Clinic for AID/ARC patients.

AIDS Surveillance activities (interviewing, investigating and compiling data).

Refer to Attachment C of each Grant Award for additional specific objectives.

## **II. PROGRAM PROCEDURES**

Funds are provided to third party subrecipients upon submission of a Health Services Grant Application, the program reviews the Application and recommends funding upon availability of funds.

## **III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES**

### **A. TYPES OF SERVICES ALLOWED OR UNALLOWED**

#### Compliance Requirement

No services are unallowed.

#### Suggested Audit Procedures

- \* Test expenditures and related records.

### **B. ELIGIBILITY**

#### Compliance Requirement

Established health care facility within a high incidence area for AIDS.

#### Suggested Audit Procedures

None

### **C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING REQUIREMENTS**

None

### **D. REPORTING REQUIREMENTS**

#### Compliance Requirement

Quarterly Financial Reports and Program Performance Reports.

#### Suggested Audit Procedures

- \* Review and test for accuracy of reports;
- \* Determine that reports were submitted on a timely basis.

### **E. SPECIAL TESTS AND PROVISIONS**

None

**New Jersey Department of Health and Senior Services**

**GRANT COMPLIANCE REQUIREMENTS**

Grant Title: Adult Protective Services

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Account Number: 491 046 4275 076, 491 046 4275 077,  
100 046 4275 226, 100 046 4275 248, 100 046 4275 324

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**I. GENERAL STATE REQUIREMENTS**

The following administrative requirements are applicable to the various types of agencies, which receive grant funds from the Department of Health and Senior Services.

**A. COMPLIANCE REQUIREMENTS**

**1. POLITICAL ACTIVITY**

Grant funds cannot be used for partisan political activity of any kind by any person or organization involved in the administration of state or federally-assisted programs. Hatch Act (5 U.S.C. 1501-1508) and Intergovernmental Personnel Act of 1970 as amended by Title VI of Civil Service Reform Act (P.L. 95-454 Section 4728).

Suggested Audit Procedures

Test the expenditure and related records for indications of lobbying activities, publications, or other materials intended for influencing legislation or similar type costs.

Test the personnel and payroll records, and identify persons whose responsibilities or activities include political activity.

Test whether the above costs, if any exist, are charged directly or indirectly, to Grants.

**2. DAVIS-BACON ACT**

When required by the grant program legislation, all laborers and mechanics employed by contractors or subcontractors to work on construction projects must be paid wages not less than those established for the locality of the project by the Secretary of Labor.

(40 Stat. 1491, Mar 3, 1921, Chap. 411, 40 U.S.C. 276A-276A-5).

Suggested Audit Procedures

Identify the programs involving construction activities.

Review selected construction contracts and subcontracts and determine whether they contain provisions requiring the payment of "prevailing" wages.

Review the grantee's system for monitoring applicable contractors and subcontractors with respect to payment of prevailing wages and evaluate for adequacy.

Review the monitoring system for contracts for selected programs and determine whether there is adherence to the prescribed procedures.

For grantee's which have not developed a system, or whose system is not operating effectively:

- Obtain payroll lists from contractors and review wages paid.
- Determine whether wages paid conform to the prevailing wages.

### 3. CIVIL RIGHTS

No person shall, on the grounds of race, color, national origin, age, or handicap, be excluded from participation in or be subjected to discrimination in any program or activity funded, in whole or in part, by grant funds. Discrimination on the basis of sex or religion is also prohibited in some programs. (Age-42 U.S.C. 6101 et. seq.; Race-42 U.S.C. 2000d; Handicap-29 U.S.C. 794.)

#### Suggested Audit Procedures

Determine whether the grantee has announced a formal policy of nondiscrimination.

For recipients employing 15 or more persons, ascertain whether a person has been designated to oversee civil rights compliance.

Ascertain from the grant agreement whether any of the programs contain prohibitions against discrimination on the basis of sex or religion.

Ascertain the number of complaints filed with federal, state and/or local agencies responsible for ensuring nondiscrimination in government programs during the fiscal year, the status of unresolved complaints or investigations, and the actions taken on resolved complaints or completed investigations.

Ascertain whether any of the programs contain prohibitions against discrimination in employment; for those programs (1) review the annual report filed with the Equal Employment Opportunity Commission (EEOC), if any, and (2) ascertain the number of complaints filed during the fiscal year, the status of unresolved complaints and investigations, and the actions taken on resolved complaints or completed investigations.

Determine whether facilities financed by grant funds that are required to be located in a nondiscriminatory manner are so located.

Obtain representation and/or attorney letters to determine if any civil rights suits have been adjudicated or are pending.

### 4. AMERICANS WITH DISABILITIES ACT OF 1990

Any Program or activity funded, in whole or in part, by State and/or Federal Funds is subject to the Americans with Disabilities Act of 1990. Title II of the Americans with Disabilities Act (ADA) provides that "no qualified individual with a disability shall, by reason of such disability, be excluded from participation in or be denied the benefits of the services, programs, or activities of a public entity, or be subjected to discrimination by such entity." 42 U.S.C., 12132 et. seq.

#### Suggested Audit Procedures

Determine if the Grantee is in compliance with the Americans with Disabilities Act of 1990.

5. DEBARMENT AND SUSPENSION

Federal Executive Order 12549 "Debarment and Suspension," and State Executive Order 34/1976 state that a grantee may not be eligible for an award funded by Department appropriations if the agency, its key employees or subgrantees have been debarred from Federal Procurement and Non-Procurement programs.

Suggested Audit Procedures

Verify that the grantee, its key employees or subgrantees have not been debarred from State or Federal Procurement and Non-Procurement Programs.

6. LOBBYING

Section 319 of Federal Public Law 101-121 prohibits recipients of contracts, grants and loans from using appropriated funds for lobbying the Executive or Legislative Branches of Government in connection with a specific contract, grant or loan. Section 319 also requires that each person who requests or receives a contract, grant, cooperative agreement, loan or a commitment to insure or guarantee a loan, must disclose lobbying activities.

Suggested Audit Procedures

Verify that funds have not been used for lobbying activities as stated in Section 1352 of Public Law 101-121.

Verify that the Standard Form-LLL, "Disclosure Form to Report Lobbying" was completed indicating to whom payments were made, how much money was involved and the type of work involved. Verify that the standard form was submitted to the Granting Agency to disclose activities pursuant to 31 U.S.C. 1352.

7. GRANTEE'S TERMS & CONDITIONS FOR ADMINISTRATION OF GRANTS

Administrative and financial requirements stated in this manual are applicable to all agencies, which receive grant funds from the Department.

Suggested Audit Procedures

Determine if the grantee is in compliance with laws, regulations and administrative and financial requirements and funds have been applied efficiently, economically and effectively.

8. FEDERAL FINANCIAL REPORTS

Most programs require the periodic submission of financial reports that fall within one or more of the following categories. The specific requirement for each grant program is presented in Attachment A of the Grant and the appropriate sub-part of the Terms and Conditions for the Administration of Grants for that program. The suggested audit procedures are provided below to facilitate the requirement for the auditor to comment on completeness and accuracy.

- a. Subpart R of the Terms and Conditions lists required financial reports that apply to most of the programs described in this document.
- b. Subpart F and G of the Terms and Conditions list cash management and payments requirements.

Suggested Audit Procedures

Review the procedures for preparing the financial reports and evaluate for adequacy.

Trace data to the supporting documentation, i.e., worksheets, ledgers, etc.

Review adjustments made to the general ledger amounts in the report affecting programs and evaluate for propriety.

9. LOCAL/STATE FIRE AND SAFETY CODES

Suggested Audit Procedures

Verify that the grantee's Local/State Fire and Safety Codes are in accordance to the uniform Fire Safety Act, NJAC 518, related statute NJSA 52, code 27-D-1-9-2.

10. PRO-CHILDREN ACT OF 1994 - ENVIRONMENTAL TOBACCO SMOKE

This act requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, early childhood development services, education or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan or loan guarantee. The law also applies to children's services that are provided in indoor facilities that are constructed, operated, or maintained with such federal funds. The law does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment service providers whose sole source of applicable Federal funds is Medicare or Medicaid; or facilities where WIC coupons are redeemed. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1,000 for each violation and/or the imposition of an administrative compliance order on the responsible entity. If applicable, the grantee is to sign a certification indicating that the agency/organization will comply with the requirements of the Act and will not allow smoking within any portion of any indoor facility used for the provision of services for children as defined by the Act.

Suggested Audit Procedures

Determine if the grantee is in compliance with the Pro-Children Act of 1994 and a certification has been signed and is on file in the agency's office.

**II. SPECIFIC STATE REQUIREMENTS**

**A. Applicable Statute (or)**

Public Law 1993, c.249

N.J.S.A. 52:27D -406 et.seq.

Adult Protective Services Act

**B. Applicable Federal Domestic Assistance Catalog Number**

**C. Program Objectives**

APS serves adults who are: abused, neglected or exploited, and mentally or physically disabled, and lack sufficient understanding or capacity to make carry out or communicate decisions concerning his/her own well-being, and live in their own home or apartment or with others in a private residence and 18 years or older.

**D. Program Procedures**

The Adult Protective Services Program is administered by a provider in each of the twenty-one (21) counties. Providers are county boards of social services or other public non-profit agencies with experience as a New Jersey Provider of Protective Services for adults, designated by the county and approved by the Commissioner.

**E. State Compliance Requirements**

**1. TYPES OF SERVICES ALLOWED OR UNALLOWED**

**a. Compliance Requirements**

Funds may be used for:

Client Services

Personnel Costs

Administration

**b. Suggested Audit Procedures**

Review contract for allowable program activities.

Perform appropriate sampling of expenditures.

**2. ELIGIBILITY**

**a. Compliance Requirements**

Agencies must have experience as providers of Adult Protective Services.

**b. Suggested Audit Procedures**

Obtain list of APS providers and test for compliance with eligibility requirements.

**3. MATCHING, LEVEL OF EFFORT AND/OR ALLOCATION REQUIREMENTS**

**a. Compliance Requirement**

There is no match requirement. Most APS agencies combine federal and local funds with the monies received from the State.



**b. Suggested Audit Procedures**

N/A

**4. REPORTING REQUIREMENTS**

**a. Compliance Requirement**

Quarterly Financial Reports and annual audits by the State Department of Human Services.

**b. Suggested Audit Procedures**

Review grantee's fiscal monitoring reports for compliance as per the contract.

**5. SPECIAL TESTS AND PROVISIONS**

**a. Compliance Requirement**

See provisions of grant agreement.

**b. Suggested Audit Procedures**

Review grantee's compliance with Program regulations through on site visits.

Audits are done in accordance with established State DHS requirements.

**New Jersey Department of Health and Senior Services**

**GRANT COMPLIANCE REQUIREMENTS**

Grant Title: Respite Care for the Elderly

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Account Number: 491 046 4275 082

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**I. GENERAL STATE REQUIREMENTS**

The following administrative requirements are applicable to the various types of agencies, which receive grant funds from the Department of Health and Senior Services.

**A. COMPLIANCE REQUIREMENTS**

**1. POLITICAL ACTIVITY**

Grant funds cannot be used for partisan political activity of any kind by any person or organization involved in the administration of state or federally-assisted programs. Hatch Act (5 U.S.C. 1501-1508) and Intergovernmental Personnel Act of 1970 as amended by Title VI of Civil Service Reform Act (P.L. 95-454 Section 4728).

Suggested Audit Procedures

Test the expenditure and related records for indications of lobbying activities, publications, or other materials intended for influencing legislation or similar type costs.

Test the personnel and payroll records, and identify persons whose responsibilities or activities include political activity.

Test whether the above costs, if any exist, are charged directly or indirectly, to Grants.

**2. DAVIS-BACON ACT**

When required by the grant program legislation, all laborers and mechanics employed by contractors or subcontractors to work on construction projects must be paid wages not less than those established for the locality of the project by the Secretary of Labor.

(40 Stat. 1491, Mar 3, 1921, Chap. 411, 40 U.S.C. 276A-276A-5).

Suggested Audit Procedures

Identify the programs involving construction activities.

Review selected construction contracts and subcontracts and determine whether they contain provisions requiring the payment of "prevailing" wages.

Review the grantee's system for monitoring applicable contractors and subcontractors with respect to payment of prevailing wages and evaluate for adequacy.

Review the monitoring system for contracts for selected programs and determine whether there is adherence to the prescribed procedures.

For grantee's which have not developed a system, or whose system is not operating effectively:

- Obtain payroll lists from contractors and review wages paid.
- Determine whether wages paid conform to the prevailing wages.

### 3. CIVIL RIGHTS

No person shall, on the grounds of race, color, national origin, age, or handicap, be excluded from participation in or be subjected to discrimination in any program or activity funded, in whole or in part, by grant funds. Discrimination on the basis of sex or religion is also prohibited in some programs. (Age-42 U.S.C. 6101 et. seq.; Race-42 U.S.C. 2000d; Handicap-29 U.S.C. 794.)

#### Suggested Audit Procedures

Determine whether the grantee has announced a formal policy of nondiscrimination.

For recipients employing 15 or more persons, ascertain whether a person has been designated to oversee civil rights compliance.

Ascertain from the grant agreement whether any of the programs contain prohibitions against discrimination on the basis of sex or religion.

Ascertain the number of complaints filed with federal, state and/or local agencies responsible for ensuring nondiscrimination in government programs during the fiscal year, the status of unresolved complaints or investigations, and the actions taken on resolved complaints or completed investigations.

Ascertain whether any of the programs contain prohibitions against discrimination in employment; for those programs (1) review the annual report filed with the Equal Employment Opportunity Commission (EEOC), if any, and (2) ascertain the number of complaints filed during the fiscal year, the status of unresolved complaints and investigations, and the actions taken on resolved complaints or completed investigations.

Determine whether facilities financed by grant funds that are required to be located in a nondiscriminatory manner are so located.

Obtain representation and/or attorney letters to determine if any civil rights suits have been adjudicated or are pending.

### 4. AMERICANS WITH DISABILITIES ACT OF 1990

Any Program or activity funded, in whole or in part, by State and/or Federal Funds is subject to the Americans with Disabilities Act of 1990. Title II of the Americans with Disabilities Act (ADA) provides that "no qualified individual with a disability shall, by reason of such disability, be excluded from participation in or be denied the benefits of the services, programs, or activities of a public entity, or be subjected to discrimination by such entity." 42 U.S.C., 12132 et. seq.

#### Suggested Audit Procedures

Determine if the Grantee is in compliance with the Americans with Disabilities Act of 1990.

5. DEBARMENT AND SUSPENSION

Federal Executive Order 12549 "Debarment and Suspension," and State Executive Order 34/1976 state that a grantee may not be eligible for an award funded by Department appropriations if the agency, its key employees or subgrantees have been debarred from Federal Procurement and Non-Procurement programs.

Suggested Audit Procedures

Verify that the grantee, its key employees or subgrantees have not been debarred from State or Federal Procurement and Non-Procurement Programs.

6. LOBBYING

Section 319 of Federal Public Law 101-121 prohibits recipients of contracts, grants and loans from using appropriated funds for lobbying the Executive or Legislative Branches of Government in connection with a specific contract, grant or loan. Section 319 also requires that each person who requests or receives a contract, grant, cooperative agreement, loan or a commitment to insure or guarantee a loan, must disclose lobbying activities.

Suggested Audit Procedures

Verify that funds have not been used for lobbying activities as stated in Section 1352 of Public Law 101-121.

Verify that the Standard Form-LLL, "Disclosure Form to Report Lobbying" was completed indicating to whom payments were made, how much money was involved and the type of work involved. Verify that the standard form was submitted to the Granting Agency to disclose activities pursuant to 31 U.S.C. 1352.

7. GRANTEE'S TERMS & CONDITIONS FOR ADMINISTRATION OF GRANTS

Administrative and financial requirements stated in this manual are applicable to all agencies, which receive grant funds from the Department.

Suggested Audit Procedures

Determine if the grantee is in compliance with laws, regulations and administrative and financial requirements and funds have been applied efficiently, economically and effectively.

8. FEDERAL FINANCIAL REPORTS

Most programs require the periodic submission of financial reports that fall within one or more of the following categories. The specific requirement for each grant program is presented in Attachment A of the Grant and the appropriate sub-part of the Terms and Conditions for the Administration of Grants for that program. The suggested audit procedures are provided below to facilitate the requirement for the auditor to comment on completeness and accuracy.

- a. Subpart R of the Terms and Conditions lists required financial reports that apply to most of the programs described in this document.
- b. Subpart F and G of the Terms and Conditions list cash management and payments requirements.

Suggested Audit Procedures

Review the procedures for preparing the financial reports and evaluate for adequacy.

Trace data to the supporting documentation, i.e., worksheets, ledgers, etc.

Review adjustments made to the general ledger amounts in the report affecting programs and evaluate for propriety.

9. LOCAL/STATE FIRE AND SAFETY CODES

Suggested Audit Procedures

Verify that the grantee's Local/State Fire and Safety Codes are in accordance to the uniform Fire Safety Act, NJAC 518, related statute NJSA 52, code 27-D-1-9-2.

10. PRO-CHILDREN ACT OF 1994 - ENVIRONMENTAL TOBACCO SMOKE

This act requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, early childhood development services, education or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan or loan guarantee. The law also applies to children's services that are provided in indoor facilities that are constructed, operated, or maintained with such federal funds. The law does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment service providers whose sole source of applicable Federal funds is Medicare or Medicaid; or facilities where WIC coupons are redeemed. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1,000 for each violation and/or the imposition of an administrative compliance order on the responsible entity. If applicable, the grantee is to sign a certification indicating that the agency/organization will comply with the requirements of the Act and will not allow smoking within any portion of any indoor facility used for the provision of services for children as defined by the Act.

Suggested Audit Procedures

Determine if the grantee is in compliance with the Pro-Children Act of 1994 and a certification has been signed and is on file in the agency's office.

**II. SPECIFIC STATE REQUIREMENTS**

B. Applicable Federal Domestic Assistance Catalog Number

NA

C. Program Objectives

The objective of the program is to provide respite care services for elderly and functionally impaired persons to relieve their unpaid caregivers of the stress arising from the responsibility of providing daily care. A secondary goal of the goal of the program is to provide the support necessary to help families avoid making nursing home placement of their loved ones.

D. Program Procedures

Funds are provided to county sponsor agencies who are responsible for the local administration of the program. The sponsor agencies either provide respite services directly or purchase services from other local providers through a through a sub-contracting process.

E. State Compliance Requirements

1. Types of Services Allowed or Unallowed

a. Compliance Requirements

Funding is to be used in accordance with the provisions of Attachment C.

b. Suggested Audit Procedures

Monthly, quarterly and annual statistical reports are to be submitted to the State Program Office and are to consist of programmatic and statistical data. Periodic site visits are to be conducted by the Program Administrator.

2. Eligibility

a. Compliance Requirements

This program is open to NJ residents, age 18 and older, who are providing care on an unpaid basis to elderly or functionally impaired adults. Refer to attachment C for additional eligibility requirements.

b. Suggested Audit Procedures

Review procedures for determining who obtains services and evaluate for appropriateness.

3. Matching, Level of Effort/and/or Allocation Requirements

a. Compliance Requirement

N/A

b. Suggested Audit Procedures

N/A

4. Reporting Requirements

a. Compliance Requirements

Monthly program statistics, quarterly and annual fiscal reports.

b. Suggested Audit Procedures

Review and evaluate the annual progress and the monthly and quarterly progress reports. Conduct site visits to review documentation/client files. Determine if reports were submitted on a timely basis.

5. Special Tests and Provisions

a. Compliance Requirements

N/A

b. Suggested Audit Procedures

N/A

**New Jersey Department of Health and Senior Services**

**GRANT COMPLIANCE REQUIREMENTS**

Grant Title: Alzheimer's Disease Program

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Account Number: 100 046 4275 254

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**I. GENERAL STATE REQUIREMENTS**

The following administrative requirements are applicable to the various types of agencies, which receive grant funds from the Department of Health and Senior Services.

**A. COMPLIANCE REQUIREMENTS**

**1. POLITICAL ACTIVITY**

Grant funds cannot be used for partisan political activity of any kind by any person or organization involved in the administration of state or federally-assisted programs. Hatch Act (5 U.S.C. 1501-1508) and Intergovernmental Personnel Act of 1970 as amended by Title VI of Civil Service Reform Act (P.L. 95-454 Section 4728).

Suggested Audit Procedures

Test the expenditure and related records for indications of lobbying activities, publications, or other materials intended for influencing legislation or similar type costs.

Test the personnel and payroll records, and identify persons whose responsibilities or activities include political activity.

Test whether the above costs, if any exist, are charged directly or indirectly, to Grants.

**2. DAVIS-BACON ACT**

When required by the grant program legislation, all laborers and mechanics employed by contractors or subcontractors to work on construction projects must be paid wages not less than those established for the locality of the project by the Secretary of Labor.

(40 Stat. 1491, Mar 3, 1921, Chap. 411, 40 U.S.C. 276A-276A-5).

Suggested Audit Procedures

Identify the programs involving construction activities.

Review selected construction contracts and subcontracts and determine whether they contain provisions requiring the payment of "prevailing" wages.

Review the grantee's system for monitoring applicable contractors and subcontractors with respect to payment of prevailing wages and evaluate for adequacy.

Review the monitoring system for contracts for selected programs and determine whether there is adherence to the prescribed procedures.



For grantee's which have not developed a system, or whose system is not operating effectively:

- Obtain payroll lists from contractors and review wages paid.
- Determine whether wages paid conform to the prevailing wages.

### 3. CIVIL RIGHTS

No person shall, on the grounds of race, color, national origin, age, or handicap, be excluded from participation in or be subjected to discrimination in any program or activity funded, in whole or in part, by grant funds. Discrimination on the basis of sex or religion is also prohibited in some programs. (Age-42 U.S.C. 6101 et. seq.; Race-42 U.S.C. 2000d; Handicap-29 U.S.C. 794.)

#### Suggested Audit Procedures

Determine whether the grantee has announced a formal policy of nondiscrimination.

For recipients employing 15 or more persons, ascertain whether a person has been designated to oversee civil rights compliance.

Ascertain from the grant agreement whether any of the programs contain prohibitions against discrimination on the basis of sex or religion.

Ascertain the number of complaints filed with federal, state and/or local agencies responsible for ensuring nondiscrimination in government programs during the fiscal year, the status of unresolved complaints or investigations, and the actions taken on resolved complaints or completed investigations.

Ascertain whether any of the programs contain prohibitions against discrimination in employment; for those programs (1) review the annual report filed with the Equal Employment Opportunity Commission (EEOC), if any, and (2) ascertain the number of complaints filed during the fiscal year, the status of unresolved complaints and investigations, and the actions taken on resolved complaints or completed investigations.

Determine whether facilities financed by grant funds that are required to be located in a nondiscriminatory manner are so located.

Obtain representation and/or attorney letters to determine if any civil rights suits have been adjudicated or are pending.

### 4. AMERICANS WITH DISABILITIES ACT OF 1990

Any Program or activity funded, in whole or in part, by State and/or Federal Funds is subject to the Americans with Disabilities Act of 1990. Title II of the Americans with Disabilities Act (ADA) provides that "no qualified individual with a disability shall, by reason of such disability, be excluded from participation in or be denied the benefits of the services, programs, or activities of a public entity, or be subjected to discrimination by such entity." 42 U.S.C., 12132 et. seq.

#### Suggested Audit Procedures

Determine if the Grantee is in compliance with the Americans with Disabilities Act of 1990.

5. DEBARMENT AND SUSPENSION

Federal Executive Order 12549 "Debarment and Suspension," and State Executive Order 34/1976 state that a grantee may not be eligible for an award funded by Department appropriations if the agency, its key employees or subgrantees have been debarred from Federal Procurement and Non-Procurement programs.

Suggested Audit Procedures

Verify that the grantee, its key employees or subgrantees have not been debarred from State or Federal Procurement and Non-Procurement Programs.

6. LOBBYING

Section 319 of Federal Public Law 101-121 prohibits recipients of contracts, grants and loans from using appropriated funds for lobbying the Executive or Legislative Branches of Government in connection with a specific contract, grant or loan. Section 319 also requires that each person who requests or receives a contract, grant, cooperative agreement, loan or a commitment to insure or guarantee a loan, must disclose lobbying activities.

Suggested Audit Procedures

Verify that funds have not been used for lobbying activities as stated in Section 1352 of Public Law 101-121.

Verify that the Standard Form-LLL, "Disclosure Form to Report Lobbying" was completed indicating to whom payments were made, how much money was involved and the type of work involved. Verify that the standard form was submitted to the Granting Agency to disclose activities pursuant to 31 U.S.C. 1352.

7. GRANTEE'S TERMS & CONDITIONS FOR ADMINISTRATION OF GRANTS

Administrative and financial requirements stated in this manual are applicable to all agencies, which receive grant funds from the Department.

Suggested Audit Procedures

Determine if the grantee is in compliance with laws, regulations and administrative and financial requirements and funds have been applied efficiently, economically and effectively.

8. FEDERAL FINANCIAL REPORTS

Most programs require the periodic submission of financial reports that fall within one or more of the following categories. The specific requirement for each grant program is presented in Attachment A of the Grant and the appropriate sub-part of the Terms and Conditions for the Administration of Grants for that program. The suggested audit procedures are provided below to facilitate the requirement for the auditor to comment on completeness and accuracy.

- a. Subpart R of the Terms and Conditions lists required financial reports that apply to most of the programs described in this document.
- b. Subpart F and G of the Terms and Conditions list cash management and payments requirements.

Suggested Audit Procedures

Review the procedures for preparing the financial reports and evaluate for adequacy.

Trace data to the supporting documentation, i.e., worksheets, ledgers, etc.

Review adjustments made to the general ledger amounts in the report affecting programs and evaluate for propriety.

9. LOCAL/STATE FIRE AND SAFETY CODES

Suggested Audit Procedures

Verify that the grantee's Local/State Fire and Safety Codes are in accordance to the uniform Fire Safety Act, NJAC 518, related statute NJSA 52, code 27-D-1-9-2.

10. PRO-CHILDREN ACT OF 1994 - ENVIRONMENTAL TOBACCO SMOKE

This act requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, early childhood development services, education or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan or loan guarantee. The law also applies to children's services that are provided in indoor facilities that are constructed, operated, or maintained with such federal funds. The law does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment service providers whose sole source of applicable Federal funds is Medicare or Medicaid; or facilities where WIC coupons are redeemed. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1,000 for each violation and/or the imposition of an administrative compliance order on the responsible entity. If applicable, the grantee is to sign a certification indicating that the agency/organization will comply with the requirements of the Act and will not allow smoking within any portion of any indoor facility used for the provision of services for children as defined by the Act.

Suggested Audit Procedures

Determine if the grantee is in compliance with the Pro-Children Act of 1994 and a certification has been signed and is on file in the agency's office.

**SPECIFIC STATE REQUIREMENTS**

**I. PROGRAM OBJECTIVES**

The objective of the OOPSA Program Institute, UMDNJ - Community Mental Health Center of Rutgers Medical School is to develop and operate the Institute for Alzheimer's Disease which will include a diagnostic center, resource center, day care center and professional training.

**II. PROGRAM PROCEDURES**

Funds are provided to OOPSA Institute through a special legislative appropriation. The objectives and activities are detailed under four service components: Resource Center, Diagnostic Clinic, Day Program and Professional Consultation and Education.

### III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

#### A. TYPES OF SERVICES ALLOWED OR UNALLOWED

##### Compliance Requirement

Moneys cannot be expended for other than what is stated in the Grant Award. UMDNJ - Community Mental Health Center must provide the services as stated in the Grant Award.

##### Suggested Audit Procedures

- \* Review documentation related to Grant expenditures;
- \* Test expenditures and related records.

#### B. ELIGIBILITY

##### Compliance Requirement

Diagnostic and Day Care Program

Services must be provided to persons who have, are at risk for, or are suspected of having Alzheimer's Disease or Related Disorders.

Resource Center

Anyone who writes or calls the 800 telephone number is a suitable candidate for services.

##### Suggested Audit Procedures

Diagnostic Clinic and Day Care

- \* Review and test records, the documentation of a sliding fee scale and assurance of access to care despite inability to pay.
- \* Determine and test for adequacy.

#### C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING REQUIREMENTS

##### Compliance Requirement

The Institute must add program income to the Grant to further program objectives. Moneys are also received from N.J. Department of Human Services, CMHC Appropriation and third party payors.

Suggested Audit Procedures

Review:

- \* Expenditure Reports;
- \* Progress Reports;
- \* Perform Audits.

**D. REPORTING REQUIREMENTS**

Compliance Requirement

Quarterly Progress and Expenditure Reports must be submitted as stated in the Grant.

Suggested Audit Procedures

- \* Determine that Reports were submitted on a timely basis;
- \* Review and test accuracy of Reports.

**E. SPECIAL TESTS AND PROVISIONS**

None

**New Jersey Department of Health and Senior Services**

**GRANT COMPLIANCE REQUIREMENTS**

Grant Title: Demonstration Adult Day Care Center Program - Alzheimer's Disease

Account Number: 491 046 4275 081

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**I. GENERAL STATE REQUIREMENTS**

The following administrative requirements are applicable to the various types of agencies, which receive grant funds from the Department of Health and Senior Services.

**A. COMPLIANCE REQUIREMENTS**

**1. POLITICAL ACTIVITY**

Grant funds cannot be used for partisan political activity of any kind by any person or organization involved in the administration of state or federally-assisted programs. Hatch Act (5 U.S.C. 1501-1508) and Intergovernmental Personnel Act of 1970 as amended by Title VI of Civil Service Reform Act (P.L. 95-454 Section 4728).

Suggested Audit Procedures

Test the expenditure and related records for indications of lobbying activities, publications, or other materials intended for influencing legislation or similar type costs.

Test the personnel and payroll records, and identify persons whose responsibilities or activities include political activity.

Test whether the above costs, if any exist, are charged directly or indirectly, to Grants.

**2. DAVIS-BACON ACT**

When required by the grant program legislation, all laborers and mechanics employed by contractors or subcontractors to work on construction projects must be paid wages not less than those established for the locality of the project by the Secretary of Labor.

(40 Stat. 1491, Mar 3, 1921, Chap. 411, 40 U.S.C. 276A-276A-5).

Suggested Audit Procedures

Identify the programs involving construction activities.

Review selected construction contracts and subcontracts and determine whether they contain provisions requiring the payment of "prevailing" wages.

Review the grantee's system for monitoring applicable contractors and subcontractors with respect to payment of prevailing wages and evaluate for adequacy.

Review the monitoring system for contracts for selected programs and determine whether there is adherence to the prescribed procedures.

For grantee's which have not developed a system, or whose system is not operating effectively:

- Obtain payroll lists from contractors and review wages paid.
- Determine whether wages paid conform to the prevailing wages.

3. CIVIL RIGHTS

No person shall, on the grounds of race, color, national origin, age, or handicap, be excluded from participation in or be subjected to discrimination in any program or activity funded, in whole or in part, by grant funds. Discrimination on the basis of sex or religion is also prohibited in some programs. (Age-42 U.S.C. 6101 et. seq.; Race-42 U.S.C. 2000d; Handicap-29 U.S.C. 794.)

Suggested Audit Procedures

Determine whether the grantee has announced a formal policy of nondiscrimination.

For recipients employing 15 or more persons, ascertain whether a person has been designated to oversee civil rights compliance.

Ascertain from the grant agreement whether any of the programs contain prohibitions against discrimination on the basis of sex or religion.

Ascertain the number of complaints filed with federal, state and/or local agencies responsible for ensuring nondiscrimination in government programs during the fiscal year, the status of unresolved complaints or investigations, and the actions taken on resolved complaints or completed investigations.

Ascertain whether any of the programs contain prohibitions against discrimination in employment; for those programs (1) review the annual report filed with the Equal Employment Opportunity Commission (EEOC), if any, and (2) ascertain the number of complaints filed during the fiscal year, the status of unresolved complaints and investigations, and the actions taken on resolved complaints or completed investigations.

Determine whether facilities financed by grant funds that are required to be located in a nondiscriminatory manner are so located.

Obtain representation and/or attorney letters to determine if any civil rights suits have been adjudicated or are pending.

4. AMERICANS WITH DISABILITIES ACT OF 1990

Any Program or activity funded, in whole or in part, by State and/or Federal Funds is subject to the Americans with Disabilities Act of 1990. Title II of the Americans with Disabilities Act (ADA) provides that "no qualified individual with a disability shall, by reason of such disability, be excluded from participation in or be denied the benefits of the services, programs, or activities of a public entity, or be subjected to discrimination by such entity." 42 U.S.C., 12132 et. seq.

Suggested Audit Procedures

Determine if the Grantee is in compliance with the Americans with Disabilities Act of 1990.

5. DEBARMENT AND SUSPENSION

Federal Executive Order 12549 "Debarment and Suspension," and State Executive Order 34/1976 state that a grantee may not be eligible for an award funded by Department appropriations if the agency, its key employees or subgrantees have been debarred from Federal Procurement and Non-Procurement programs.

Suggested Audit Procedures

Verify that the grantee, its key employees or subgrantees have not been debarred from State or Federal Procurement and Non-Procurement Programs.

6. LOBBYING

Section 319 of Federal Public Law 101-121 prohibits recipients of contracts, grants and loans from using appropriated funds for lobbying the Executive or Legislative Branches of Government in connection with a specific contract, grant or loan. Section 319 also requires that each person who requests or receives a contract, grant, cooperative agreement, loan or a commitment to insure or guarantee a loan, must disclose lobbying activities.

Suggested Audit Procedures

Verify that funds have not been used for lobbying activities as stated in Section 1352 of Public Law 101-121.

Verify that the Standard Form-LLL, "Disclosure Form to Report Lobbying" was completed indicating to whom payments were made, how much money was involved and the type of work involved. Verify that the standard form was submitted to the Granting Agency to disclose activities pursuant to 31 U.S.C. 1352.

7. GRANTEE'S TERMS & CONDITIONS FOR ADMINISTRATION OF GRANTS

Administrative and financial requirements stated in this manual are applicable to all agencies, which receive grant funds from the Department.

Suggested Audit Procedures

Determine if the grantee is in compliance with laws, regulations and administrative and financial requirements and funds have been applied efficiently, economically and effectively.

8. FEDERAL FINANCIAL REPORTS

Most programs require the periodic submission of financial reports that fall within one or more of the following categories. The specific requirement for each grant program is presented in Attachment A of the Grant and the appropriate sub-part of the Terms and Conditions for the Administration of Grants for that program. The suggested audit procedures are provided below to facilitate the requirement for the auditor to comment on completeness and accuracy.

- a. Subpart R of the Terms and Conditions lists required financial reports that apply to most of the programs described in this document.
- b. Subpart F and G of the Terms and Conditions list cash management and payments requirements.



Suggested Audit Procedures

Review the procedures for preparing the financial reports and evaluate for adequacy.

Trace data to the supporting documentation, i.e., worksheets, ledgers, etc.

Review adjustments made to the general ledger amounts in the report affecting programs and evaluate for propriety.

9. LOCAL/STATE FIRE AND SAFETY CODES

Suggested Audit Procedures

Verify that the grantee's Local/State Fire and Safety Codes are in accordance to the uniform Fire Safety Act, NJAC 518, related statute NJSA 52, code 27-D-1-9-2.

10. PRO-CHILDREN ACT OF 1994 - ENVIRONMENTAL TOBACCO SMOKE

This act requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, early childhood development services, education or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan or loan guarantee. The law also applies to children's services that are provided in indoor facilities that are constructed, operated, or maintained with such federal funds. The law does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment service providers whose sole source of applicable Federal funds is Medicare or Medicaid; or facilities where WIC coupons are redeemed. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1,000 for each violation and/or the imposition of an administrative compliance order on the responsible entity. If applicable, the grantee is to sign a certification indicating that the agency/organization will comply with the requirements of the Act and will not allow smoking within any portion of any indoor facility used for the provision of services for children as defined by the Act.

Suggested Audit Procedures

Determine if the grantee is in compliance with the Pro-Children Act of 1994 and a certification has been signed and is on file in the agency's office.

**III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES**

**A. TYPES OF SERVICES ALLOWED OR UNALLOWED**

Compliance Requirement

Funding is to be used for:

Physical characteristics - interior dimensions, surfaces and finishes.

Interior environment - temperature, humidity, ventilation and acoustics.

Utility services - plumbing, electricity, gas, vacuum or other laboratory piping.

Unfinished shell space - to make it suitable for purposes other than human occupancy such as the storage or supplies.

Fixed equipment - casework, large equipment.

Certain costs of installing equipment such as the removal and replacement of wall sections and door frames, costs of connecting utility lines, replacing finishes and furnishings, and installing any accessory devices required.

Costs associated with new construction, including relocation of exterior walls, roofs, and floors, attachments of fire safety devices, development and repair of parking lots (when associated with interior or exterior building construction or renovation).

Costs necessary to obtain an initial occupancy permit.

Modular furniture.

Costs that are not allowable under a construction grant are the following:

Mortgage and operational costs of the structure.

Routine maintenance and repairs to the facility or its contents.

Movable equipment and furniture excluding modular furniture.

Suggested Audit Procedures

- \* Test expenditures and related records and compare to allowable purpose and amounts.

**B. ELIGIBILITY**

Compliance Requirement

None

**C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING REQUIREMENTS**

None

**D. REPORTING REQUIREMENTS**

Compliance Requirement

Financial and Programmatic Reports, as specified in the grant award.

Suggested Audit Procedures

- \* Determine that reports were submitted on a timely basis;
- \* Review and test for accuracy of reports.

**E. SPECIAL TESTS AND PROVISIONS**

Compliance Requirement

Specific Requirements for Construction Grants:

Life Safety code - National Fire Protection Association, Publication No. 101.

Elimination of architectural barriers to the physically handicapped (The architectural Barriers Act of 1968, as amended, Federal Property Management regulations 101 - 19.6, and the Uniform Federal Accessibility Standards).

Protection of the natural environment (National Environmental Policy Act of 1969).

Flood insurance coverage (Section 102 of the Flood disaster Protection Act, P.L. 92-234).

Suggested Audit Procedures

- \* Test for compliance;
- \* Determine if the legislative intent has been met.

**New Jersey Department of Health and Senior Services**

**GRANT COMPLIANCE REQUIREMENTS**

Grant Title: Congregate Housing Support Services

Account Number: 491 046 4275 078

**I. GENERAL STATE REQUIREMENTS**

The following administrative requirements are applicable to the various types of agencies, which receive grant funds from the Department of Health and Senior Services.

**A. COMPLIANCE REQUIREMENTS**

**1. POLITICAL ACTIVITY**

Grant funds cannot be used for partisan political activity of any kind by any person or organization involved in the administration of state or federally-assisted programs. Hatch Act (5 U.S.C. 1501-1508) and Intergovernmental Personnel Act of 1970 as amended by Title VI of Civil Service Reform Act (P.L. 95-454 Section 4728).

Suggested Audit Procedures

Test the expenditure and related records for indications of lobbying activities, publications, or other materials intended for influencing legislation or similar type costs.

Test the personnel and payroll records, and identify persons whose responsibilities or activities include political activity.

Test whether the above costs, if any exist, are charged directly or indirectly, to Grants.

**2. DAVIS-BACON ACT**

When required by the grant program legislation, all laborers and mechanics employed by contractors or subcontractors to work on construction projects must be paid wages not less than those established for the locality of the project by the Secretary of Labor.

(40 Stat. 1491, Mar 3, 1921, Chap. 411, 40 U.S.C. 276A-276A-5).

Suggested Audit Procedures

Identify the programs involving construction activities.

Review selected construction contracts and subcontracts and determine whether they contain provisions requiring the payment of "prevailing" wages.

Review the grantee's system for monitoring applicable contractors and subcontractors with respect to payment of prevailing wages and evaluate for adequacy.

Review the monitoring system for contracts for selected programs and determine whether there is adherence to the prescribed procedures.

For grantee's which have not developed a system, or whose system is not operating effectively:

- Obtain payroll lists from contractors and review wages paid.
- Determine whether wages paid conform to the prevailing wages.

### 3. CIVIL RIGHTS

No person shall, on the grounds of race, color, national origin, age, or handicap, be excluded from participation in or be subjected to discrimination in any program or activity funded, in whole or in part, by grant funds. Discrimination on the basis of sex or religion is also prohibited in some programs. (Age-42 U.S.C. 6101 et. seq.; Race-42 U.S.C. 2000d; Handicap-29 U.S.C. 794.)

#### Suggested Audit Procedures

Determine whether the grantee has announced a formal policy of nondiscrimination.

For recipients employing 15 or more persons, ascertain whether a person has been designated to oversee civil rights compliance.

Ascertain from the grant agreement whether any of the programs contain prohibitions against discrimination on the basis of sex or religion.

Ascertain the number of complaints filed with federal, state and/or local agencies responsible for ensuring nondiscrimination in government programs during the fiscal year, the status of unresolved complaints or investigations, and the actions taken on resolved complaints or completed investigations.

Ascertain whether any of the programs contain prohibitions against discrimination in employment; for those programs (1) review the annual report filed with the Equal Employment Opportunity Commission (EEOC), if any, and (2) ascertain the number of complaints filed during the fiscal year, the status of unresolved complaints and investigations, and the actions taken on resolved complaints or completed investigations.

Determine whether facilities financed by grant funds that are required to be located in a nondiscriminatory manner are so located.

Obtain representation and/or attorney letters to determine if any civil rights suits have been adjudicated or are pending.

### 4. AMERICANS WITH DISABILITIES ACT OF 1990

Any Program or activity funded, in whole or in part, by State and/or Federal Funds is subject to the Americans with Disabilities Act of 1990. Title II of the Americans with Disabilities Act (ADA) provides that "no qualified individual with a disability shall, by reason of such disability, be excluded from participation in or be denied the benefits of the services, programs, or activities of a public entity, or be subjected to discrimination by such entity." 42 U.S.C., 12132 et. seq.

#### Suggested Audit Procedures

Determine if the Grantee is in compliance with the Americans with Disabilities Act of 1990.

5. DEBARMENT AND SUSPENSION

Federal Executive Order 12549 "Debarment and Suspension," and State Executive Order 34/1976 state that a grantee may not be eligible for an award funded by Department appropriations if the agency, its key employees or subgrantees have been debarred from Federal Procurement and Non-Procurement programs.

Suggested Audit Procedures

Verify that the grantee, its key employees or subgrantees have not been debarred from State or Federal Procurement and Non-Procurement Programs.

6. LOBBYING

Section 319 of Federal Public Law 101-121 prohibits recipients of contracts, grants and loans from using appropriated funds for lobbying the Executive or Legislative Branches of Government in connection with a specific contract, grant or loan. Section 319 also requires that each person who requests or receives a contract, grant, cooperative agreement, loan or a commitment to insure or guarantee a loan, must disclose lobbying activities.

Suggested Audit Procedures

Verify that funds have not been used for lobbying activities as stated in Section 1352 of Public Law 101-121.

Verify that the Standard Form-LLL, "Disclosure Form to Report Lobbying" was completed indicating to whom payments were made, how much money was involved and the type of work involved. Verify that the standard form was submitted to the Granting Agency to disclose activities pursuant to 31 U.S.C. 1352.

7. GRANTEE'S TERMS & CONDITIONS FOR ADMINISTRATION OF GRANTS

Administrative and financial requirements stated in this manual are applicable to all agencies, which receive grant funds from the Department.

Suggested Audit Procedures

Determine if the grantee is in compliance with laws, regulations and administrative and financial requirements and funds have been applied efficiently, economically and effectively.

8. FEDERAL FINANCIAL REPORTS

Most programs require the periodic submission of financial reports that fall within one or more of the following categories. The specific requirement for each grant program is presented in Attachment A of the Grant and the appropriate sub-part of the Terms and Conditions for the Administration of Grants for that program. The suggested audit procedures are provided below to facilitate the requirement for the auditor to comment on completeness and accuracy.

- a. Subpart R of the Terms and Conditions lists required financial reports that apply to most of the programs described in this document.
- b. Subpart F and G of the Terms and Conditions list cash management and payments requirements.

Suggested Audit Procedures

Review the procedures for preparing the financial reports and evaluate for adequacy.

Trace data to the supporting documentation, i.e., worksheets, ledgers, etc.

Review adjustments made to the general ledger amounts in the report affecting programs and evaluate for propriety.

9. LOCAL/STATE FIRE AND SAFETY CODES

Suggested Audit Procedures

Verify that the grantee's Local/State Fire and Safety Codes are in accordance to the uniform Fire Safety Act, NJAC 518, related statute NJSA 52, code 27-D-1-9-2.

10. PRO-CHILDREN ACT OF 1994 - ENVIRONMENTAL TOBACCO SMOKE

This act requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, early childhood development services, education or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan or loan guarantee. The law also applies to children's services that are provided in indoor facilities that are constructed, operated, or maintained with such federal funds. The law does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment service providers whose sole source of applicable Federal funds is Medicare or Medicaid; or facilities where WIC coupons are redeemed. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1,000 for each violation and/or the imposition of an administrative compliance order on the responsible entity. If applicable, the grantee is to sign a certification indicating that the agency/organization will comply with the requirements of the Act and will not allow smoking within any portion of any indoor facility used for the provision of services for children as defined by the Act.

Suggested Audit Procedures

Determine if the grantee is in compliance with the Pro-Children Act of 1994 and a certification has been signed and is on file in the agency's office.

**II. SPECIFIC STATE REQUIREMENTS**

**A. Applicable Statute (or)**

52:27D-182

**B. Applicable Federal Domestic Assistance Catalog Number**

**C. Program Objectives**

The objective of the Congregate Housing Service Program is to maintain services for frail elderly living in subsidized congregate housing facilities and to provide service subsidies (comparable to rent subsidies) to assist the tenant to meet the full cost of the Program.

Congregate Housing Services include:

Meals provided in a group setting

Housekeeping

Personal services, such as help with dressing and bathing, and other service to help those elderly who need some assistance with daily living to remain in the housing facility and avoid premature and/or unnecessary institutionalization.

**D. Program Procedures**

Requests for Proposals (RFPs) are sent to the Division from eligible federal or state subsidized housing projects. The proposals are reviewed and either accepted or rejected for funding. Currently Thirty-two (32) projects are funded under this program.

**E. State Compliance Requirements**

**1. Types of Services allowed or unallowed**

**a. Compliance Requirements**

Funds may be used for:

Housekeeping

Personal Care

Congregate Meals

**b. Suggested Audit Procedures**

Review contract for allowable Program activities.

Perform appropriate sampling of expenditures and related records

Review grantee's compliance with Program guidelines and any changes thereto.



**New Jersey Department of Health and Senior Services**

**GRANT COMPLIANCE REQUIREMENTS**

Grant Title: Arthritis Quality of Life Initiative Act (Regional Arthritis Centers)

Account Number: 100 046 4275 303

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**I. GENERAL STATE REQUIREMENTS**

The following administrative requirements are applicable to the various types of agencies, which receive grant funds from the Department of Health and Senior Services.

**A. COMPLIANCE REQUIREMENTS**

**1. POLITICAL ACTIVITY**

Grant funds cannot be used for partisan political activity of any kind by any person or organization involved in the administration of state or federally-assisted programs. Hatch Act (5 U.S.C. 1501-1508) and Intergovernmental Personnel Act of 1970 as amended by Title VI of Civil Service Reform Act (P.L. 95-454 Section 4728).

Suggested Audit Procedures

Test the expenditure and related records for indications of lobbying activities, publications, or other materials intended for influencing legislation or similar type costs.

Test the personnel and payroll records, and identify persons whose responsibilities or activities include political activity.

Test whether the above costs, if any exist, are charged directly or indirectly, to Grants.

**2. DAVIS-BACON ACT**

When required by the grant program legislation, all laborers and mechanics employed by contractors or subcontractors to work on construction projects must be paid wages not less than those established for the locality of the project by the Secretary of Labor.

(40 Stat. 1491, Mar 3, 1921, Chap. 411, 40 U.S.C. 276A-276A-5).

Suggested Audit Procedures

Identify the programs involving construction activities.

Review selected construction contracts and subcontracts and determine whether they contain provisions requiring the payment of "prevailing" wages.

Review the grantee's system for monitoring applicable contractors and subcontractors with respect to payment of prevailing wages and evaluate for adequacy.

Review the monitoring system for contracts for selected programs and determine whether there is adherence to the prescribed procedures.

For grantee's which have not developed a system, or whose system is not operating effectively:

- Obtain payroll lists from contractors and review wages paid.
- Determine whether wages paid conform to the prevailing wages.

3. CIVIL RIGHTS

No person shall, on the grounds of race, color, national origin, age, or handicap, be excluded from participation in or be subjected to discrimination in any program or activity funded, in whole or in part, by grant funds. Discrimination on the basis of sex or religion is also prohibited in some programs. (Age-42 U.S.C. 6101 et. seq.; Race-42 U.S.C. 2000d; Handicap-29 U.S.C. 794.)

Suggested Audit Procedures

Determine whether the grantee has announced a formal policy of nondiscrimination.

For recipients employing 15 or more persons, ascertain whether a person has been designated to oversee civil rights compliance.

Ascertain from the grant agreement whether any of the programs contain prohibitions against discrimination on the basis of sex or religion.

Ascertain the number of complaints filed with federal, state and/or local agencies responsible for ensuring nondiscrimination in government programs during the fiscal year, the status of unresolved complaints or investigations, and the actions taken on resolved complaints or completed investigations.

Ascertain whether any of the programs contain prohibitions against discrimination in employment; for those programs (1) review the annual report filed with the Equal Employment Opportunity Commission (EEOC), if any, and (2) ascertain the number of complaints filed during the fiscal year, the status of unresolved complaints and investigations, and the actions taken on resolved complaints or completed investigations.

Determine whether facilities financed by grant funds that are required to be located in a nondiscriminatory manner are so located.

Obtain representation and/or attorney letters to determine if any civil rights suits have been adjudicated or are pending.

4. AMERICANS WITH DISABILITIES ACT OF 1990

Any Program or activity funded, in whole or in part, by State and/or Federal Funds is subject to the Americans with Disabilities Act of 1990. Title II of the Americans with Disabilities Act (ADA) provides that "no qualified individual with a disability shall, by reason of such disability, be excluded from participation in or be denied the benefits of the services, programs, or activities of a public entity, or be subjected to discrimination by such entity." 42 U.S.C., 12132 et. seq.

Suggested Audit Procedures

Determine if the Grantee is in compliance with the Americans with Disabilities Act of 1990.

5. DEBARMENT AND SUSPENSION

Federal Executive Order 12549 "Debarment and Suspension," and State Executive Order 34/1976 state that a grantee may not be eligible for an award funded by Department appropriations if the agency, its key employees or subgrantees have been debarred from Federal Procurement and Non-Procurement programs.

Suggested Audit Procedures

Verify that the grantee, its key employees or subgrantees have not been debarred from State or Federal Procurement and Non-Procurement Programs.

6. LOBBYING

Section 319 of Federal Public Law 101-121 prohibits recipients of contracts, grants and loans from using appropriated funds for lobbying the Executive or Legislative Branches of Government in connection with a specific contract, grant or loan. Section 319 also requires that each person who requests or receives a contract, grant, cooperative agreement, loan or a commitment to insure or guarantee a loan, must disclose lobbying activities.

Suggested Audit Procedures

Verify that funds have not been used for lobbying activities as stated in Section 1352 of Public Law 101-121.

Verify that the Standard Form-LLL, "Disclosure Form to Report Lobbying" was completed indicating to whom payments were made, how much money was involved and the type of work involved. Verify that the standard form was submitted to the Granting Agency to disclose activities pursuant to 31 U.S.C. 1352.

7. GRANTEE'S TERMS & CONDITIONS FOR ADMINISTRATION OF GRANTS

Administrative and financial requirements stated in this manual are applicable to all agencies, which receive grant funds from the Department.

Suggested Audit Procedures

Determine if the grantee is in compliance with laws, regulations and administrative and financial requirements and funds have been applied efficiently, economically and effectively.

8. FEDERAL FINANCIAL REPORTS

Most programs require the periodic submission of financial reports that fall within one or more of the following categories. The specific requirement for each grant program is presented in Attachment A of the Grant and the appropriate sub-part of the Terms and Conditions for the Administration of Grants for that program. The suggested audit procedures are provided below to facilitate the requirement for the auditor to comment on completeness and accuracy.

- a. Subpart R of the Terms and Conditions lists required financial reports that apply to most of the programs described in this document.
- b. Subpart F and G of the Terms and Conditions list cash management and payments requirements.

Suggested Audit Procedures

Review the procedures for preparing the financial reports and evaluate for adequacy.

Trace data to the supporting documentation, i.e., worksheets, ledgers, etc.

Review adjustments made to the general ledger amounts in the report affecting programs and evaluate for propriety.

9. LOCAL/STATE FIRE AND SAFETY CODES

Suggested Audit Procedures

Verify that the grantee's Local/State Fire and Safety Codes are in accordance to the uniform Fire Safety Act, NJAC 518, related statute NJSA 52, code 27-D-1-9-2.

10. PRO-CHILDREN ACT OF 1994 - ENVIRONMENTAL TOBACCO SMOKE

This act requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, early childhood development services, education or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan or loan guarantee. The law also applies to children's services that are provided in indoor facilities that are constructed, operated, or maintained with such federal funds. The law does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment service providers whose sole source of applicable Federal funds is Medicare or Medicaid; or facilities where WIC coupons are redeemed. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1,000 for each violation and/or the imposition of an administrative compliance order on the responsible entity. If applicable, the grantee is to sign a certification indicating that the agency/organization will comply with the requirements of the Act and will not allow smoking within any portion of any indoor facility used for the provision of services for children as defined by the Act.

Suggested Audit Procedures

Determine if the grantee is in compliance with the Pro-Children Act of 1994 and a certification has been signed and is on file in the agency's office.

**II. SPECIFIC REQUIREMENTS**

A. Applicable Statute (or)

**P.L.1999.C.72C.26:2V**

B. Applicable Federal Domestic Assistance Catalog Number

**N/A**

C. Program Objectives

**To develop two regionally based arthritis centers which will implement an information campaign and system of service delivery to promote early diagnosis and treatment of arthritis and other rheumatic**

**diseases. Develop a professional education program to provide and promote quality expertise in diagnosis, treatment and care.**

D. Program Procedures

**Request for Proposals are submitted to the Division from not-for-profit health organizations with demonstrated experience and expertise related to arthritis and other rheumatic conditions.**

E. State Compliance Requirements

1. Types of Services Allowed or Unallowed

a. Compliance Requirements

**Funding is to be used in accordance with the provisions of Attachment C.**

b. Suggested Audit Procedures

**Quarterly and annual program and fiscal reports are to be submitted to the state program manager. Periodic site visits are to be conducted by the program administrator.**

2. Eligibility

a. Compliance Requirements

**Non-profit health organizations with demonstrated experience and expertise related to arthritis conditions are eligible to apply for funds.**

b. Suggested Audit Procedures

N/A

3. Matching, Level of Effort, and/or Allocation Requirements

a. Compliance Requirement

N/A

b. Suggested Audit Procedures

N/A

4. Reporting Requirements

a. Compliance Requirements

**Review annual and quarterly progress reports.**

b. Suggested Audit Procedures

**Review and evaluate the annual and the quarterly progress reports. Conduct periodic site visits.**

5. Special Tests and Provisions

a. Compliance Requirements

N/A

b. Suggested Audit Procedures

N/A