# Contracts Refresher Training

October 3, 2017

# **Training Goals**

 Communicate updates and changes to NC DHHS and DPH contracting policies and procedures.

Review challenges seen in the contracts process.

 Facilitate a Q&A session for Contract Administrators.

# Updates & Changes

### State / Block Grant Funds Contract Period

The State Fiscal Year runs from July 1 – June 30. However, the service period is June 1 – May 31.

Contracts funded by State Dollars or Block Grant

Must run on the SFY service period (6/1 - 5/31).

Block Grants: TANF, Preventive Health BG, Substance Abuse BG, Maternal & Child Health BG, and DCDEE funds.

# Nonprofit Salary Cap

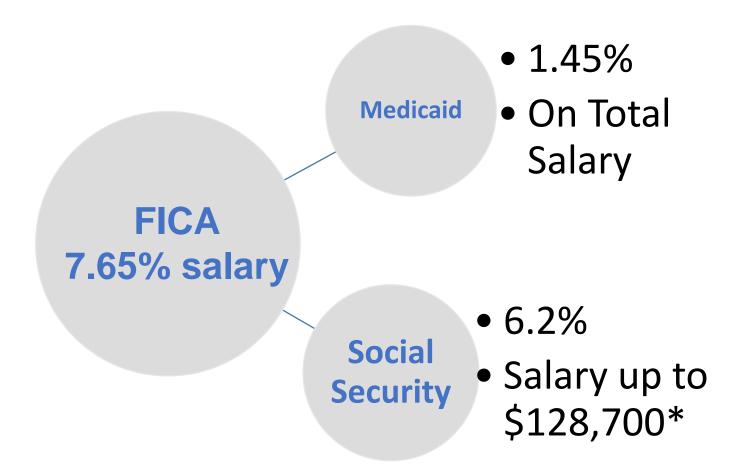
Part IV, Section 6.4 of Session Law 2017-57 restricts the amount of annual salary an individual employee of a nonprofit organization can be reimbursed with state funds\*.

Cap: \$120,000

\*The State Budget Manual defines state funds as any funding which passes through the State of NC (including federal grant dollars).

#### Benefit and Salary Caps

Federal Insurance Contributions Act (FICA)



#### **NC** Grants

- OSBM launched a new grants system on 9/5/17.
- Combines CRIS and NCGrants.
- Nongovernmental Grantees (FA contracts) should continue to email their required annual reports to <a href="MCGrantsReporting@dhhs.nc.gov">MCGrantsReporting@dhhs.nc.gov</a>
- Contact Curt Martin with questions or to request view-only access.
- No Contract Administrator should have editing rights. Creating awards is a Contracts function.

#### Iran Divestment Certification

- Vendor certification requirement under the Iran Divestment Act has been eliminated effective October 1, 2017.
- Contract templates (e.g. RFA Template) will be updated to reflect the change.
- State P&C and IT will also likely be changing templates at this time so be sure to use the most recent forms if you're working on a procurement.
- Office of State Treasurer still maintaining the list. Should be checked prior to contract award.

# Conference Services Policy

- New DPH Conference Services Policy went into effect 8/14/17.
- Result of federal audit findings.
- Contracts for services must be generated.
- Policy, Forms, Instructions posted on DPH Employee Toolkit under the folder entitled, "Conference Authorization"

http://ncpublichealth.com/employees/forms.htm

## **UNC Master Agreement**

- No word yet on new benefit rate agreement between UNC and NC DHHS, however, UNC should be allowed to use the rates as stated in Session Law 2017-57 as of 7/1/17:
  - State Employee (SPA) Retirement 17.13%
  - Annual health insurance \$5,869

#### **Audit Determination**

- Purchase of Service Contracts will follow the Approval Flow Chart as usual (updated from last year).
  - If under \$200,000 and not a procurement, will not require OPCG approval.
- Stand alone Sole Source Justification Memo is still required for all nongovernmental POS contracts.

# **Budget Realignments**

 Budget Realignments as Amendments in Open Window has been tabled.

#### • REMINDERS:

- Send a copy of the final, approved realignment to your Contract Team Lead for incorporation into the contract file.
- Feel free to ask advice/questions before approving.
- Realignments must be incorporated into any contract amendments that are processed.

#### **Contracts Unit**

- Section Pick-Up boxes now located between C-4
   & C-5, along with Drop-Off boxes.
- New Encumbrance Officer starting 10/9/17.
- Women's Health and Nutrition Services
   Branches transitioned fully to Sophia King.
- Chronic Disease & Injury Section will fully transition to Meena Ahuja by 10/9/17.

#### Contracts Forms Website

Forms will be updated with changes in the coming weeks and revised 101 and Refresher trainings will be posted.

# Reminders

#### IT Governance

- Information Technology Governance Board (ITGB)
  - Meets on the third (3<sup>rd</sup>) Thursday of the month
  - Agenda items must be submitted 1<sup>st</sup> week of month, complete with final, required forms, signed by Director

https://www2.ncdhhs.gov/dirm/techlibrary/

- Project Management Office (PMO and EPMO)
  - Some IT initiatives are designated as "projects"
  - Require a PMP certified IT Project Manager
  - Managed in Touchdown, the State's PM tool
  - "Lite" Projects

If you are in the planning phases of an IT project, contact the DPH IT Director immediately to discuss parameters.

# Pre-Grant and Pre-Funding Meetings

- Grant Application Procedure was updated 5/24/16
- Required Pre-Grant Application Meeting
  - Held with a representative from each ALCS Business Unit
    - Budget / Contracts / HR / IT / Purchasing
  - Discuss planning for Procurements, Contracts,
     Agreement Addenda, etc. that result from the funding
  - DPH Grants Management Policy is located in the following location on the <u>DPH Employee Toolkit</u>:

Tools → Policies and Procedures → Grants Management

 Best Practice: Hold for each new source of funding (Fed/State)

# Suspension of Funding List

- Still managed and published weekly by OSBM
- http://www.osbm.nc.gov/management/grants
  - Click in menu to the right → 2016-17 SOFL Memos
  - Click "Spreadsheet" for the current week's list
- Contracts will continue to alert Programs when a current contractor is on the list but Program must check prior to preparing a new contracts
- Loss of transparency regarding cause/remedy

# Challenges

**Contracts Unit** 

#### Federal Omnicircular

- Determining Indirect Cost
- Accurate Federal Award (NOA) info
- Challenges with AA Supplements

#### Timeliness of Contracts

- External Contracts MUST be submitted <u>at least</u>
   90 days prior to start date:
  - Contracts over \$200,000
  - Contracts requiring IT approval
  - Contracts requiring Public Affairs or HR Approval
- If contract requires multiple externals reviews, should submit <u>sooner</u>.
- Internal contracts MUST be submitted at least 60 days prior to start date.
- Too many contracts are being submitted late.

#### **RFAs**

- Discuss RFA timeline with Contracts Team Leader.
- 30 days "on the street" not counting State holidays.
- Timeline should be reasonable and allow for an appropriate amount of time for RFA review, Q&A, and application review.
- If Local Health Departments are applying, timeline must end with an award notification date prior to "Magic Friday" (1st Friday in December).

#### **CERs**

- Check accuracy of Contractor's CER.
  - Correct month? Not a duplicate? Correct IDC?
- Must have original, authorized signatures.
  - If signatories change, notify Contracts Team Lead
     ASAP so a new form can be sent.
- Must be submitted by 10<sup>th</sup>/mo even when \$0.
- Cannot be pre-dated.
- Contractor Amount column should NOT be used unless contract has tracked in-kind match.

#### **CERs**

- Must have correct and current Contract & PO#s.
- Must have correct codes and amounts to be applied per PO line → UP-TO-DATE template.
- Current NCAS sheets must accompany CER:
  - PLF: PO Line Financial Information
  - PMI: PO Invoice Matching Information
  - 162: once funds checking is on (on as of 10/1/17)
- Must be submitted timely.
- Use expiring funds first!!

Q&A

Open Floor