# North Carolina Pandemic Recovery Office (NCPRO)

Technical Assistance Training

June 5, 2025


# General/Entity-Level Standards

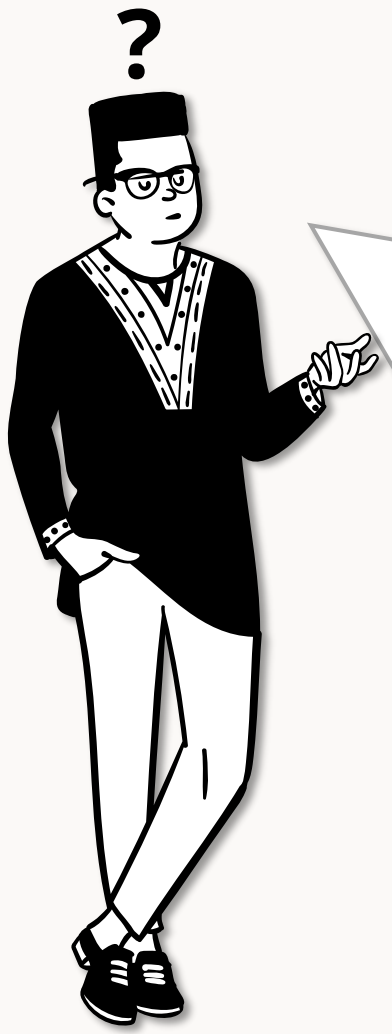
# Agenda

1. Policies, Procedures, and Practices
2. Personally Identifiable Information (PII)
3. Common Observations
4. Knowledge Check
5. Q&A Session

# What are General/Entity-Level Standards?

General/Entity Level Standards in the context of the North Carolina Administrative Code (09 NCAC 03M) and Code of Federal Regulations (2 CFR Part 200) encompasses the broad **policies, practices, and procedures that govern the overall operations, and compliance of an organization.** These standards enable the entity to operate effectively, efficiently, and in compliance with applicable laws and regulations.

# Introduction to General/Entity-Level Standards



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## Who is responsible for implementation?

**NCPRO, Administering Agencies, and Subrecipients are responsible** for the day-to-day implementation of policies**.** This supports compliance with state and federal regulations, such as 2 CFR Part 200, entity policies, and state-specific requirements.

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## Why are they important?

General/Entity Level Standards are critical for validating legal compliance, financial integrity, risk management, operational efficiency, transparency, strategic decision-making, consistency within an organization, and to build public trust.

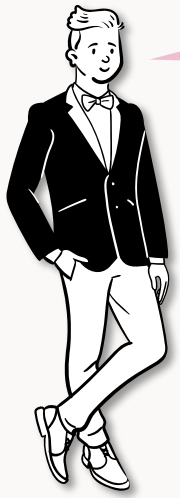
# Policies, Procedures, and Practices

# Governance and Controls: The Cornerstones of General/Entity-Level Standards

Developing and maintaining strong governance and controls at the entity level is key to effective general administration and grants compliance.

There are three components to maintaining effective governance and controls:

**Policies, Procedures, and Practices**



I want my organization to maintain strong governance and controls. Where do I start?

**3 Practices**

Practices refer to the actual implementation and execution of policies and procedures in day-to-day operations.

**2 Procedures**

Step-by-step instructions that describe how to implement policies. They provide specific guidance on the processes and actions required to achieve compliance with policies.

**1 Policies**

Formal guidelines and principles established by an organization to govern the administration, management, and oversight of grant funds. Policies promotes that grants are managed effectively, efficiently, and in compliance with applicable laws, regulations, and funding requirements.

# Applicable General/Entity-Level Standards Guidance

Specific references to the governance sections of 2 CFR 200, 09 NCAC 03M, and N.C.G.S. include:

| Requirement Category | State Regulations | What You Need to Know | Relation to 2 CFR 200 |
|---|---|---|---|
| **Compliance with State Policies** | NCAC 03M Section .0100 | Policy sets uniform requirements for administering grants in North Carolina, confirming transparency and accountability. Grant recipients must comply with agreements by using funds appropriately, maintaining internal controls, and submitting required reports. | **§ 200.403(c)** |
| **General Administrative Requirements** | NCAC 03M Section .0100 N.C.G.S. § 143C-6-23 | This regulation establishes general administrative requires for state grants and could be aligned with entity-level standards for compliance, internal governance, and program management. | **§ 200.403(c)** |
| **Financial Management** | NCAC Subchapter 03M Section .0200 | Proper financial management systems must be in place to ensure accurate, current, and complete disclosure of financial results | **§ 200.302** |
| **Internal Controls** | NCAC Subchapter 03M Section .0200 | Effective internal controls must be established to safeguard assets and confirm compliance with laws and regulations. | **§ 200.303** |
| **Audit Requirements** | 09 NCAC 03M .0205 09 NCAC 03M .0401 | Policy requires state grant recipients to maintain accurate financial records, adhere to accounting standards, and use funds solely for their intended purpose. Recipients must submit periodic financial reports and comply with audit or reviews by state agencies. | **§ 200.501** |
| **Internal Control Systems** | 09 NCAC 03M .0401 | Policy focuses on the necessity of maintaining an internal control system to support financial integrity, accuracy, and accountability. | **§ 200.303** |
| **Legal Compliance** | N.C.G.S. § 143C-6-22 N.C.G.S. § 143C-6-23 | Policy supports accountability in managing grant funds. It requires grant recipients, like non-profits and local governments to meet pre-award eligibility criteria, submit financial and programmatic reports and retain records for audits. Noncompliance can lead to funding suspension, repayment, or legal penalties, making effective documentation and internal control essential. | **§ 200.303(b)** |
| **Transparency and Accountability** | N.C.G.S. § 143C-6-23 | Entities must maintain transparency in their operations and be accountable for their actions. | **§ 200.302(b)(4)** |
| **Ethical Standards** | N.C.G.S. § 138A-31 | Adherence to ethical standards and avoidance of conflicts of interest are mandatory. | **§ 200.112** |

# Applicable Federal General/Entity-Level Standards Guidance

Specific references to the governance sections of CFR for **non-revenue replacement projects** include:

| Reference | Requirement Category | What You Need to Know |
|---|---|---|
| **2 CFR § 200.302** | Financial Management Systems | Entities must have effective financial management systems that provide accurate, current, and complete disclosure of financial results |
| **2 CFR § 200.303** | Internal Controls | Entities must establish and maintain effective internal controls over awards. |
| **2 CFR § 200.403** | Allowable Costs | Costs must be necessary, reasonable, and allocable to the award. |
| **2 CFR § 200.317 - § 200.327** | Procurement Standards | Entities must follow procurement standards to confirm fair and open competition. |
| **2 CFR § 200.332** | Subrecipient Monitoring | Entities must monitor subrecipients to confirm compliance with federal regulations. |
| **2 CFR § 200.501** | Audit Requirements | Entities must comply with audit requirements, including the Single Audit Act, if applicable |
| **31 CFR Part 35** | Use of Funds | Funds must be used in accordance with the purposes specified by the Treasury. |
| **31 CFR Part 35** | Reporting Requirements | Entities must submit regular reports detailing the use of funds and compliance with relevant guidelines. |

# Key General/Entity-Level Standard Provisions

Implementing the key provisions below promotes good governance, compliance with federal, state, and local regulations, and effective management of awards. Regular reviews and updates to these policies, along with continuous staff training, will help sustain compliance and improve overall grants management practices.

## Internal Controls

To establish and maintain effective internal control systems to validate compliance

**Applicable Regulations:** 2 CFR 200.303, N.C.G.S. § 143C-6-23

**Leading Practices:**

- Develop written policies and procedures
- Conduct regular internal audits
- Segregate duties

**Enablers:**

- Internal control manual
- Regular internal audit reports
- Segregation of duties matrix

## Financial Management

To Implement sound financial management practices for budgeting, accounting, and reporting

**Applicable Regulations:** 2 CFR 200.302, 09 NCAC 03M .0202

**Leading Practices:**

- Use Generally Accepted Accounting Principles (GAAP)
- Regular financial reporting
- Budget monitoring

**Enablers:**

- Financial statements
- Budget variance reports
- Monthly financial reports

## Procurement Standards

To follow procurement standards to validate fair and open competition

**Applicable Regulations:** 2 CFR 200.317-200.327, 01 NCAC 05B .0301, N.C.G.S. § 143 Article 3

**Leading Practices:**

- Develop and implement procurement policies
- Conduct competitive bidding
- Maintain procurement records
- Budget monitoring

**Enablers:**

- Procurement policy document
- Bid solicitation documents
- Procurement records and contracts

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## Cost Principles

Validates that costs are allowable, allocable, and reasonable

**Applicable Regulations:** 2 CFR 200.402-200.419, 09 NCAC 03M .0201

**Leading Practices:**

- Review cost principles regularly
- Maintain supporting documentation for all costs
- Conduct cost allocation reviews

**Enablers:**

- Cost allocation plans
- Consistent documentation of expenses
- Regular cost reviews

## Subrecipient Monitoring

Monitor subrecipients to confirm compliance with federal and state requirements

**Applicable Regulations:** 2 CFR 200.332, 09 NCAC 03M .0401

**Leading Practices:**

- Conduct risk assessments
- Perform regular monitoring visits
- Review subrecipient reports and audits

**Enablers:**

- Subrecipient monitoring plan
- Risk assessment determination
- Monitoring visit reports

## Audit Requirements

Comply with audit requirements and confirm timely resolution of audit findings

**Applicable Regulations:** 2 CFR 200.500-200.521, N.C.G.S. § 143-746, 09 NCAC 03M .0205, 09 NCAC 03M .0401

**Leading Practices:**

- Schedule regular audits/reviews
- Implement corrective actions
- Maintain audit documentation

**Enablers:**

- Audit schedules
- Corrective action plans
- Audit reports and follow-up documentation

# Key General/Entity-Level Standard Provisions

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## Record Retention

Retain records for the required period and ensure accessibility

**Applicable Regulations:** 2 CFR 200.334, N.C.G.S. § 143C-6-23, 09 NCAC 03M .0202

**Leading Practices:**

- Develop and implement a record retention policy
- Use secure storage methods
- Confirm easy retrieval of records

**Enablers:**

- Approved retention policy document
- Secure storage facilities
- Record retrieval logs

## Reporting Requirements

Validates timely and accurate submission of required reports

**Applicable Regulations:** 2 CFR 200.328-200.330, N.C.G.S. § 143C-6-23, 09 NCAC 03M .0205

**Leading Practices:**

- Develop compliance framework
- Train staff on reporting responsibilities
- Conduct regular internal audits to promote data accuracy

**Enablers:**

- Standardized reporting templates
- Create visual aids (e.g., dashboard)

## Conflict of Interest

Establish policies to prevent conflicts of interest

**Applicable Regulations:** 2 CFR 200.112, N.C.G.S. § 138A-31, N.C.G.S. § 143C-6-23

**Leading Practices:**

- Develop a conflict-of-interest policy
- Require disclosures
- Conduct regular reviews

**Enablers:**

- Conflict of interest policy document
- Disclosure forms
- Review logs and reports

# Key General/Entity-Level Standard Provisions

Implementing the key provisions below promotes good governance, compliance with federal, state, and local regulations, and effective management of awards. Regular reviews and updates to these policies, along with continuous staff training, will help sustain compliance and improve overall grants management practices.

## Training and Development

Provide training to staff on grants management and compliance.

**Applicable Regulation:** 2 CFR 200.303, 2 CFR 200.332(f)(1), 09 NCAC 03M .0401

**Leading Practices:**

- Develop and implement applicable training programs
- Conduct regular training sessions
- Evaluate training effectiveness

**Enablers:**

- Training program outline
- Training attendance records
- Training evaluation reports

## Ethics and Compliance

To establish a code of ethics and compliance program to ensure adherence to legal and ethical standards.

**Applicable Regulation:** 09 NCAC 03M .0801, N.C.G.S. § 138A, U.S. Treasury Compliance and Reporting Guidance

**Leading Practices:**

- Develop a code of ethics
- Conduct regular ethics training
- Implement non-compliance reporting procedures

**Enablers:**

- Fraud, waste, & abuse policy
- Whistleblower mechanisms
- Internal audits

## Risk Management

To implement risk management policies to identify, assess, and mitigate risks.

**Applicable Regulation:** 09 NCAC 03M .0401, N.C.G.S. § 143C-6-23, U.S. Treasury Compliance and Reporting Guidance

**Leading Practices:**

- Conduct regular risk assessments
- Develop risk mitigation plans
- Monitor risk management activities

**Enablers:**

- Risk assessment reports
- Risk mitigation plans
- Risk management activity logs

# Documenting Procedures

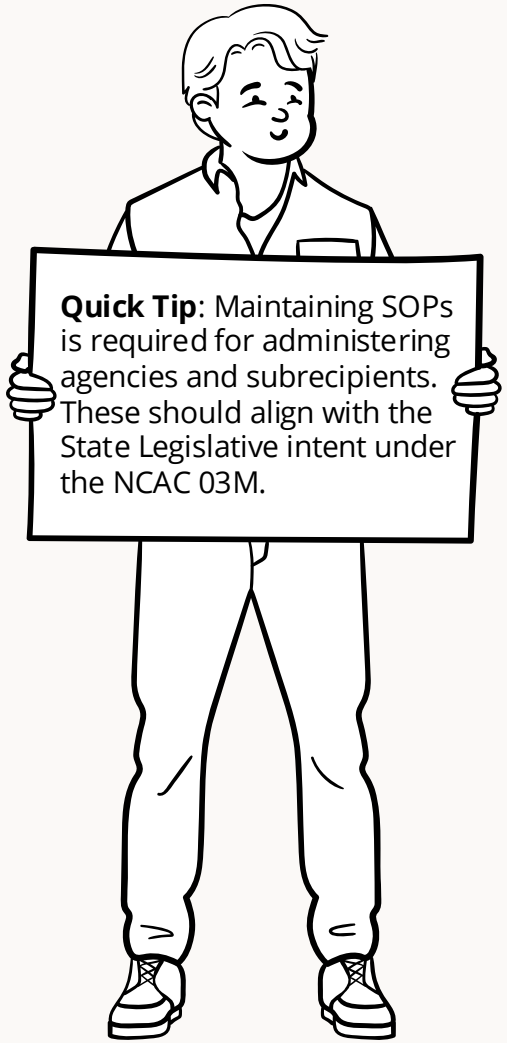
**Oversight agencies** should include a formal approach to documenting procedures. These procedures should follow applicable regulations to maintain compliance across regulatory and other guidance. Combination of these written policies and practices must allow for consistent administrative operations and should be **periodically reviewed and approved.**

WOW! Our internal procedures are documented now that we created the following files. I can finally take a vacation and Simon in the Business Office can provide coverage.

- **Written Processes and Procedures**
- **Administrative Regulations**
- **Standard Operating Procedures, Manuals, and Organizational Charts**
- **Training Guides**
- **Libraries of Applicable Rules and Regulations**
- **Recurring Trainings**
- **Roles and Responsibilities**

# Policies Through the North Carolina Lens

The Office of State Budget and Management is responsible for adopting rules and policies to support the uniform administration of state funds and grants. Some general grant management policies adopted by NCPRO include:

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**SOPs for Administering Agencies**

- NCPRO has developed SOPs to guide administering agencies in managing funds, such as:
  - **Planning:** Supporting projects to comply with legislative intent and both state and federal requirements.
  - **Subrecipient monitoring:** Implementing policies and procedures to monitor subrecipient activities to support compliance.

2

**SOPs for Subrecipients**

- **Compliance:** Adhering to state legislative intent, administrative codes and federal regulations, including 2 CFR 200.
- **Monitoring:** Establishing procedures to oversee subrecipient activities, supporting compliance

3

**Grant Management Systems**

- To facilitate grant management tracking, NCPRO utilizes PANGRAM (PANdemic GRants and Awards Management). This systems assists in agreement creation, project execution, reporting, and monitoring of grant-funded projects.

# Personally Identifiable Information (PII)

# Safeguarding Personally Identifiable Information (PII)


Information must be maintained in a manner that protects its security and integrity while making it available for authorized use. Security measures must be implemented commensurate with the potential risk to individuals or institutions from unauthorized disclosure or loss of integrity.

-North Carolina Department of Information Technology (NCDIT) Data Classification and Handling Policy

Non-federal entities must take measures to safeguard protected personally identifiable information and other sensitive information

**Personal Information and Personally Identifiable Information (PII)**
Under state law, personal information is defined as a person's first name or first initial and last name in combination with other identifying information (N.C.G.S. 75-61(10)).

**Identifying Information Defined by State Law includes:**

a. Social Security or Employer Taxpayer Identification Numbers
b. Driver's License, State Identification Card, or Passport Numbers
c. Checking Account Numbers
d. Savings Account Numbers
e. Credit Card Numbers
f. Debit Card Numbers
g. Personal Identification (PIN) Code as defined in N.C.G.S. 14-113.8(6)
h. Electronic Identification Numbers, Electronic Mail Names or Addresses, Internet Account Numbers, or Internet Identification Names
i. Digital Signatures
j. Any Other Numbers or Information That Can Be Used to Access a Person's Financial Resources
k. Biometric Data
l. Fingerprints
m. Passwords
n. Parent's Legal Surname Prior to Marriage (N.C.G.S. 14-130.20(b), N.C.G.S. 132-1.10)

Federal law also restricts the use of personal information by state motor vehicle agencies (18 U.S.C. 2721 – **Driver's Privacy Protection Act).**

# Data Security & Privacy: PII

### *Properly redacting PII means…*

- If your organization has a copy of Adobe Pro, you can use the "Redact" tools found within the program
- If you are sending digital files, but do not have a copy of Adobe Pro, you will need to remove the data from the file before you PDF it. This may involve deleting columns of information or deselecting items to include in auto-generated reports.
- If you are sharing physical files, you can use Sharpies to black out the information. However, you should hold it up to a light to confirm that the data is redacted. You may need to use the Sharpie on both sides of the paper. If this does not work, you may need to cut out the sections with PII on them.

### *Redaction is not….*

- Using black sharpie to cross out numbers, but they're still legible.
- Covering documents with shapes that can be deleted.

## Types of PII

- *Name*
- *Date and Place of Birth*
- *Mother's Maiden Name*
- *Biometric Records*
- *Social Security Numbers (SSN)*
- *Driver's License/State ID Number*
- *Passport Number*
- *Medicare ID*
- *Student Addresses/Healthcare Records/SSN*
- *Personal Bank Account/Credit Card Numbers*

# Common Observations

# Common Observations and How to Address Them

| | | | |
|---|---|---|---|
| **OBSERVATION** |  **No PII policy** |  **No policy against fraud, waste, and abuse** |  **No grants management policy** |
| **REGULATORY GUIDANCE** | **2 CFR 200.303(e)**<br>**N.C.G.S § 143B-1320 (16)**<br>**NC Data Classification and Handling Policy**<br>**NC Information Security Manual** | **2 CFR 200.303(a)**<br>**N.C.G.S. § 126-84**<br>***2 CFR 200.435(f)** | **2 CFR 200.303(a)**<br>**N.C.G.S. § 143C-6-23** |
| **RISK** | Failure to safeguard PII may result in a weak control environment and could pose potential operational or financial risks to the entity should this information be shared inappropriately. | Failure to maintain a reporting system for fraud and other improprieties could lead to financial and reputational loss as a result of misuse with grant funding. | Failure to maintain a regularly updated grants management policy may result in a weak control environment and could pose potential operational or financial risk to the entity. |
| **RECOMMENDED ACTION** | Entity must take reasonable measures to safeguard PII. This includes, but is not limited to, providing training, instating protocols for handling PII such as redaction, role-based access, and encryption, and maintaining a formal policy for protecting PII. | Formally adopt a fraud, waste, and abuse policy, including whistleblower mechanisms to report such instances. | Entity should develop policies to govern the administration of the award. These policies at a high level should cover procurement, expenditures, reporting, protection of PII, labor and time accounting and any controls put in place to mitigate risk. |
| **NEXT STEPS** | Maintain controls around access and distribution to PII information only to authorized personnel. Train staff on what constitutes PII and the importance of safeguarding PII including knowledge of internal policies, procedures and practices. Conduct periodic refreshers on PII identification, distribution and access. | Establish a formal policy and mechanism for reporting instances of fraud, waste, and abuse. Take actions to notify stakeholders of the importance of reporting fraud, waste and abuse. | Develop policies and procedures tailored to govern the administration of the Subrecipient's federal grants. Conduct and attend relevant trainings related to the compliance of federal grants. Designate a formal grants management team that reports directly to leadership. |

*Applicable to only non-revenue replacement projects.

# It’s time for a Knowledge Check!

General/ Entity Level Standards

# Question 1

Which of the following is not an example of Personally Identifiable Information (PII)?

- Hire date
- Mother’s maiden name
- Digital signature
- Passport Number

# Question 2

Which of the following is an example of a practice?

- Employees fill out an expense report form, attaching receipts and justifications for each expense
- Human resources schedules a meeting to discuss company culture, policies, and benefits
- Employees change their passwords regularly
- All of the above

# Question 3

Which of the following is an example of a procedure?

- Grant closeout and compliance verification manual
- Record retention policy
- Submitting performance reports to NCPRO

# Q+A Session