



North Carolina Department of Health and Human Services Office of the Controller

Beverly Eaves Perdue, Governor
Lanier M. Cansler, Secretary

Laketha M. Miller, Controller
(919) 733-0169

MAILING ADDRESS:
2019 Mail Service Center
Raleigh, NC 27699-2019

LOCATION:
1050 Umstead Drive
Raleigh, NC

October 6, 2010

MEMORANDUM #2011-2

TO: Division Directors
Division Budget Officers

FROM: Laketha M. Miller

A handwritten signature in cursive script that reads "Laketha M. Miller".

SUBJECT: Adherence to the Office of State Budget and Management's Suspension of Funding List

To assist in the management and oversight of grant funds provided to non-state entities, the General Assembly adopted G.S. §143C-6-23 which requires the Office of State Budget and Management (OSBM) maintain a "Suspension of Funding" list (SOFL) accessible to any interested party (see also, 09 NCAC 03M). Currently, OSBM issues the SOFL on a monthly basis. The list is available on the WWW.NCGRANTS.GOV website. Additionally, NCGrants.gov staff will add any interested party to the monthly SOFL email distribution list as requested. The SOFL includes all Nongovernmental grantees failing to submit the required GS 143C-6-23 reports in a timely manner.

Pursuant to GS 143C-6-23 and 09 NCAC 03M .0401 Agencies Responsibilities, the Department of Health and Human Services (the Department), as an agency that receives State funds and disburses those funds shall:

(8) Not disburse funds to grantees that are not in compliance with the reporting requirements for funds received during the prior fiscal year.

The Department's Office of the Controller (OOC) researched various methods to identify the most efficient and effective process ensuring Financial Assistance payments are not disbursed to entities currently on the SOFL. Unfortunately, without a state agency-wide solution from Office of the State Controller (OSC) with regard to flagging these payments, OOC cannot easily filter out payments to the suspended vendors.

Consequently, the Department's most effective method to avoid disbursing Financial Assistance payments to entities on the SOFL is for individual Divisions to assume responsibility not to submit payment requests to the Controller's Office for suspended grantees.

Please identify staff that will handle SOFL related issues and provide their contact information to Leigh Ann Kerr of the Audit Resolution & Monitoring Branch in our office. Also, please be aware the inclusion of a vendor on the SOFL should not affect payments to them for Purchase of Service Contracts.

If you have questions, please contact Leigh Ann Kerr at 855-3738. Thank you in advance for your continued cooperation and assistance.

Cc: Dan Stewart

Controller's Office Section Chiefs

Leigh Ann Kerr