

NC Division of Social Services  
Program Compliance Section  
Contract Office

Presentation Overview of Contract  
Document changes due to U.S. OMB  
Omni Circular and US HHS HIPAA.

## U.S. OMB Omni Circular

In 2013, the Federal Office of Management and Budget (OMB) issued final guidance on administrative requirements, cost principles and audit requirements for federal awards (which includes research grant awards). Per the OMB [website](#), this guidance “will supersede requirements from **OMB Circulars A-21, A-87, A-110 and A-122 (which have been placed in 2 C.F.R. Parts 220, 225, 215 and 230); Circulars A-89, A-102 and A-133; and the guidance in Circular A-50 on Single Audit Act follow-up.**”

The announcement in the Federal Register, Volume 78, Number 248, on December 26, 2013 includes a long preamble that describes the objectives of OMB and the Council on Financial Assistance Reform (COFAR), the background surrounding the guidance and the major reforms. The actual text of the guidance as codified in 2 CFR Part 200 follows the preamble.

2 CFR Part 200: User-friendly version for desk reference and printing

[http://www.maximus.com/sites/default/files/MAXIMUS\\_2%20CFR%20200.pdf](http://www.maximus.com/sites/default/files/MAXIMUS_2%20CFR%20200.pdf)

## Key Changes from the old circulars to the new circular.

200.320-Micro-purchases is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed \$3,000.00(or \$2,000.00 for construction subject to the Davis-Bacon Act). To the extent practicable, the non-federal entity must distribute equitably among qualified suppliers, soliciting competitive quotations.

200.421-Certain Advertising and Public Relations are allowable, not all.

200.501-Any costs of auditing a non-federal entity that is exempted from having an audit conducted under the Single Audit Act and Subpart F of the Omni is because the total expenditures of federal awards is less than \$750,000.00 during that fiscal year.

Other provisions of the Omni Circular may apply to sub awards or contractors. Examples are indirect cost, bonding, and cost allocation.

# US HHS HIPAA

The Division of Social Services is now a covered entity under NC Department of Health and Human Services.

Key changes since NC DSS is now a covered entity.

Each exchange of protected health information (PHI) or personal identifiable information (PII) is reviewed to determine the appropriate agreement to be in compliance with HIPAA.

**Notification Clause will be inserted in all contractual templates:** North Carolina Division of Social Services (NC DSS) is a Covered Entity under **the Health Insurance Portability and Accountability Act of 1996 (HIPAA) Privacy, Security and Breach Notification Rules. Any Entity that will contract with NC DSS** is responsible to maintain and monitor privacy/security procedures and measures in accordance with all federal, state, and local agency privacy/security regulatory requirements. In the event of a suspected or confirmed breach or privacy/security incident involving confidential information, The Entity will immediately report such breach or incident to the (owning division/office) Privacy and/or Security Official. Breach must be reported within 24 hours unless it involves Social Security Administration (SSA) or Internal Revenue Service (IRS) data, for which breach/incident reporting must occur within one (1) hour. In accordance with applicable laws/regulations, the entity will bear all expenses involved with breach notification as well as citizen notification if applicable. For additional information on NC DHHS policies on HIPAA please use link: <http://info.dhhs.state.nc.us/olm/manuals/dhs/pol-80/man/index.htm>

The below NC DSS webpage and all the listed contractual documents will be updated to reflect the changes discussed today by Monday, June 8, 2015.

**NC DSS: Budget Operations - Internet Explorer**  
http://www.ncdhrs.gov/dss/budget/contracts.htm

NC DSS: Budget Operations | My Items - Locked Files, Contra... | OMB Uniform Guidance | MAXIM...

File Edit View Favorites Tools Help

Military Time (24 Hour Time)... | NC Department of Health a... | http-www.pandc.nc.gov-d... | Fiscal Non-Profit Administrati...

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**COUNTY CONTRACT FORMS  
(FOR COUNTY USE ONLY)**

Effective for the State Fiscal Year 2007, the Division of Social Services in coordination with the Division of Aging and Adult Services, have developed new contract procedures that replace the Family Services Manual, Chapter IV Volume VI.

Any organization that receives Federal or State financial assistance from a State agency is called a "subrecipient". Counties, as subrecipients of the state, must develop monitoring procedures to ensure that funds are appropriately spent by any subrecipients with whom they may contract to provide services.

The following definition has been developed to assist in determining when a contract must be utilized: " Any service purchased by a County Department of Social Services must have a contract unless a purchased service is covered in a specific program which does not require use of this specific contract and has Federal and/or State funding".

Local Department of Social Services should use the following documents and instructions as guidance when entering into any contract. If a county has its own contractual procedures, these are permissible but at a minimum must include:

- I. [General Contract](#)
- II. [Attachment A - General Terms and Conditions](#)
- III. [Attachment B - Scope of Work](#)
- IV. [Attachment C - Certification Regarding Drug-Free Workplace Requirements & Certification Regarding Nondiscrimination](#)  
\*\* (Required if any Federal Funds are involved)
- V. [Attachment D - Conflict of Interest Policy](#)  
(must be notarized & policy attached)
- VI. [Attachment E- No Overdue Taxes](#) (must be notarized)
- VII. [Attachment F - Certification Regarding Environmental Tobacco Smoke](#)  
\*\* (Required if any federal funds are involved and contractor provides health, child care, education, or library related services to children under 18 in an indoor facility)
- VIII. [Attachment G - Certification Regarding Lobbying](#)  
\*\* (Required if \$25,000 of Federal participation is involved)
- IX. [Attachment H - Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion- Lower Tier Covered Transactions](#)  
\*\* (Required if \$25,000 of Federal participation is involved)
- X. [Attachment I - HIPAA Assessment Form](#)  
[Business Associates Addendum](#)  
[Government Associates Addendum](#)

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Also the DSS-8163 and DSS-1796 will be updated to include the changes discussed today.

\*Please note: A NC DSS Contract Webinar to provide step by step guidance completing county contract documents will be held next Tuesday, June 9, 2015 from 10:00a.m. to 11:00a.m. for all County DSS Fiscal Staff.

Webinar information will be provided by email by the end of this week.

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# Questions

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