



**STATE OF NORTH CAROLINA**  
**OFFICE OF STATE BUDGET AND MANAGEMENT**

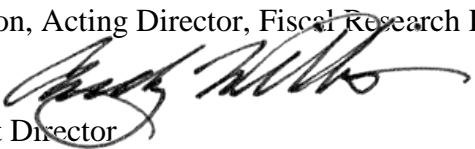
BEVERLY EAVES PERDUE  
GOVERNOR

ANDY WILLIS  
STATE BUDGET DIRECTOR

May 1, 2012

**MEMORANDUM**

TO: The Honorable Senator Phil Berger, President Pro Tempore, NC Senate  
The Honorable Representative Thom Tillis, Speaker of the NC House of  
Representatives  
Mark Trogon, Acting Director, Fiscal Research Division, General Assembly

FROM: Andy Willis   
State Budget Director

SUBJECT: State Grantee Noncompliance Report for May 2012

Pursuant to G.S. 143C-6-23(h) and the associated administrative rules, 09 NCAC 03M, the Office of State Budget and Management (OSBM) submits the attached report. This report consists of state grant recipients (grantees) that failed to comply with G.S. 143C reporting requirements during the prior fiscal year (FY10-11) and were subsequently suspended from receiving further grant funding.

In accordance with 09 NCAC 03M.0205, non-state entities are required to report based on the total amount of grant funding received from all state agencies. These reporting requirements are dictated by the amount of grant money received, and are reported on either six or nine months after the non-state entity's fiscal year. The following indicates what must be submitted in order for a grantee to be compliant:

***If the grantee receives less than \$25,000:***

- Certification from grantee stating that the funds were received, used, or expended for the purposes for which they were granted, and
- Brief accounting of how funds were spent and the purpose, and
- Submittal of the report is due to OSBM within 6 months after the end of grantees fiscal year.

***If the grantee receives between \$25,000 but less than \$500,000:***

- All of the above listed in less than \$25,000, and
- A description of activities and accomplishments undertaken by the grantee with the state funds.

***If the grantee receives greater than \$500,000:***

- All of the above listed in \$25,000 but less than \$500,000, and
- Yellow Book Audit or A-133 Audit, and
- Reporting requirements must be filed with OSBM 9 months (instead of 6 months) after the end of the grantee's fiscal year.

Many of the non-state entities listed in the attached report remain on the current Suspension of Funding List (SOFL) maintained by OSBM. When an entity is placed on the SOFL, all state agencies are directed not to disburse additional grant funds to the entity until their reporting noncompliance with all granting agencies is resolved.

In February 2011, OSBM switched from maintaining the SOFL monthly to maintaining it weekly. It is available to all interested parties on the OSBM website ([www.osbm.nc.gov](http://www.osbm.nc.gov)).

For further information, please contact Brandon James at [brandon.james@osbm.nc.gov](mailto:brandon.james@osbm.nc.gov) or 919-807-4754.

Attachment