

Local Health Department Leadership Orientation Webinar Series

Overview of State Public Health System and Basic Public Health Standards

September 2015



The Basics



- To promote the physical and mental health of all of its citizens and to prevent disease, injury, and disability whenever possible. *W.Va. Code § 16-1-1*
- Defines the State's responsibility to assist in the provision of *essential public health services*
- Establishes a state public health system to work in conjunction with local boards of health to provide *basic public health services* that encourage healthy people in healthy communities.

Essential Public Health Services

"Essential public health services" - the core public health activities necessary to promote health and prevent disease, injury and disability for the citizens of the state.

Assessment

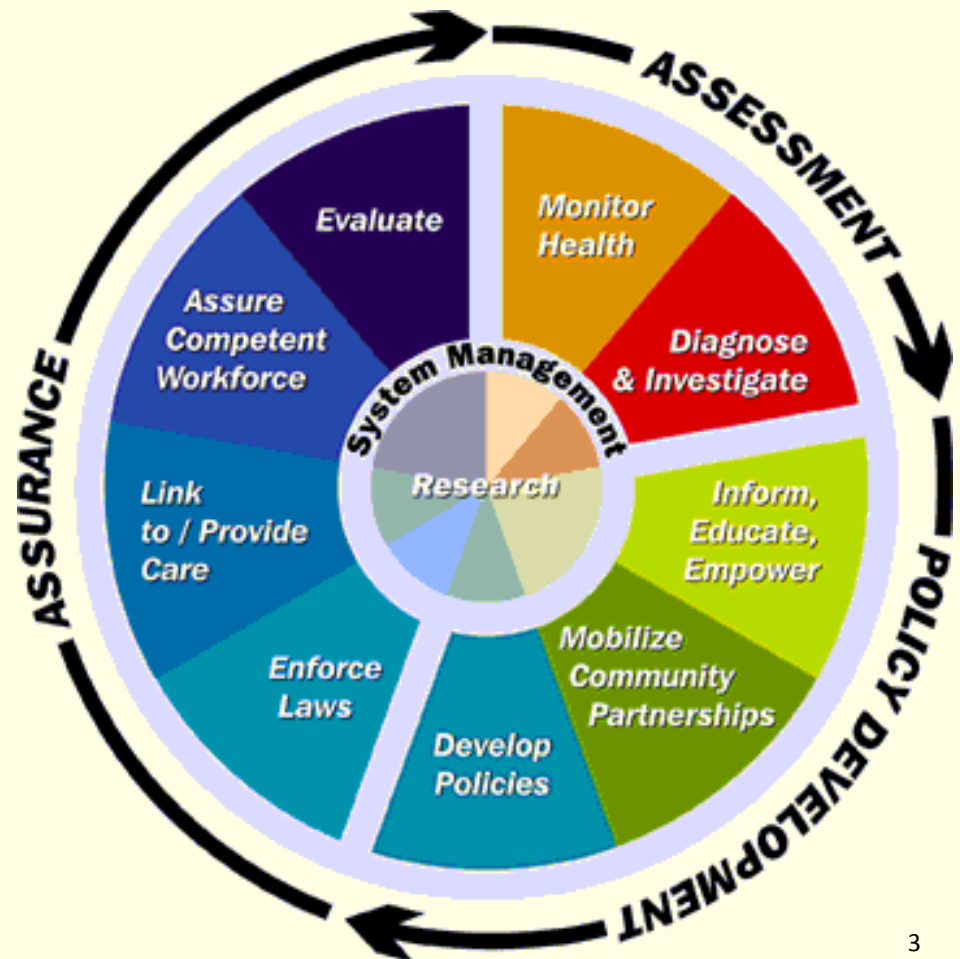
- Evaluate
- Monitor Health
- Diagnose and Investigate

Policy Development

- Develop Policies
- Mobilize Community Partnerships
- Inform, Educate, Empower

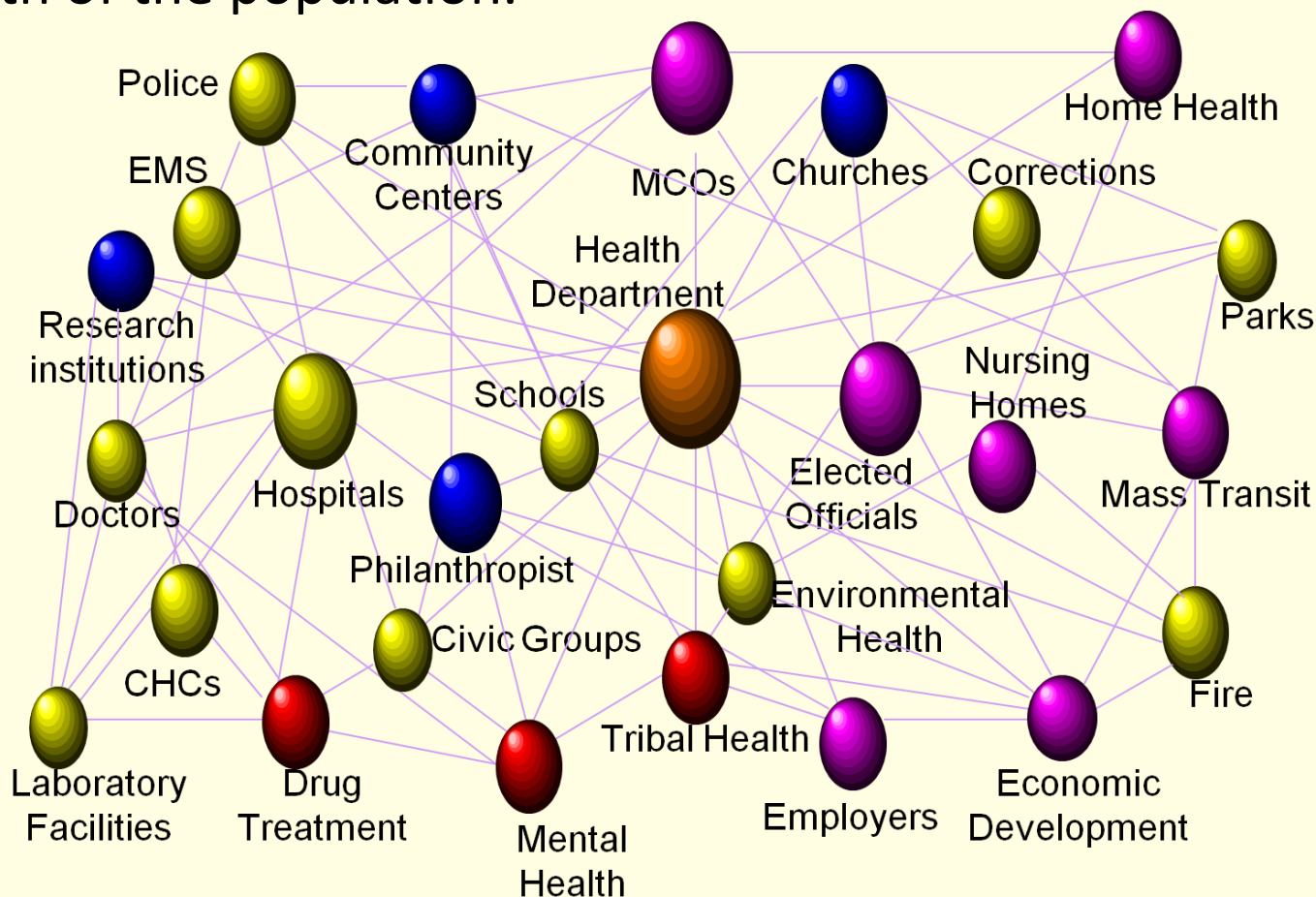
Assurance

- Ensure Competent Workforce
- Link to/Provide Care
- Enforce Laws



Public Health System

Public Health is defined as what we do collectively to assure conditions in which people can be healthy. The public health system is the intricate network of organizations that work towards improving the health of the population.



State Public Health System

The secretary of the Department of Health and Human Resources may establish a state public health system. The Department of Health and Human Resources is comprised of five (5) Bureaus.



Bureau for Children & Families

Adoption
Child Protective Services
Early Care and Education
Family Assistance
Safe at Home WV
[See All Children & Families](#)



Bureau for Child Support Enforcement

Application for Services
Bureau Services
Child Support Direct
SMART E-Pay
[See All Child Support](#)



Bureau for Public Health

[Ebola Information](#)
Birth & Death Certificates
WIC Services
Emergency Planning
Public Boil Water Notices
[See All Public Health](#)



Bureau for Medical Services

Guide to Medicaid
Apply for Medicaid
Medicaid Co-Pay Info
MediWeb Portal
[See All Medical Services](#)



Bureau for Behavioral Health and Health Facilities

Forensic Services
State Facilities
Quality & Compliance
Reports & Resources
[See All Behavioral Health](#)

Welcome to the Bureau for Public Health

Welcome to the Bureau for Public Health website. Service, Quality, Integrity, Accountability and Collaboration are the keys to our success. We hope you find our website to be helpful and look forward to serving you.

Vision and Mission

The Vision of the Bureau for Public Health is to have healthy West Virginians in healthy communities.

The Mission is to help shape the environments within which West Virginians in their communities can be safe and healthy.

A community can be as small as a neighborhood or as large as the entire state. In fulfilling our Mission, the Bureau embraces the values of community, science and evidence-based decision making, health equity, prevention and wellness, and the protection and improvement of the health of all West Virginians.



Rahul Gupta, MD, MPH, FACP
Commissioner
State Health Officer

Powers and Duties of the Commissioner

- Enforce all laws of this state concerning public health. *W.Va. Code* § 16-1-6(a).
- Promote the provision of ***essential public health services*** to citizens of this state. *W.Va. Code* § 16-1-6(d).
- Monitor the administration, operation and coordination of the local boards of health and local health officers. *W.Va. Code* § 16-1-6(e).
- Develop and maintain a state plan of operation that sets forth the needs of the state in the areas of public health; goals and objectives for meeting those needs; methods for achieving the stated goals and objectives; and needed personnel, funds and authority for achieving the goals and objectives. *W.Va. Code* § 16-1-6(f).
- To exercise all other powers delegated to the commissioner by the secretary or by [] chapter [16] or otherwise in this code, to enforce all health laws, and to pursue all other activities necessary and incident to the authority and area of concern entrusted to the bureau or the commissioner. *W.Va. Code* § 16-1-6(t).

State Public Health System

West Virginia Local Boards of Health

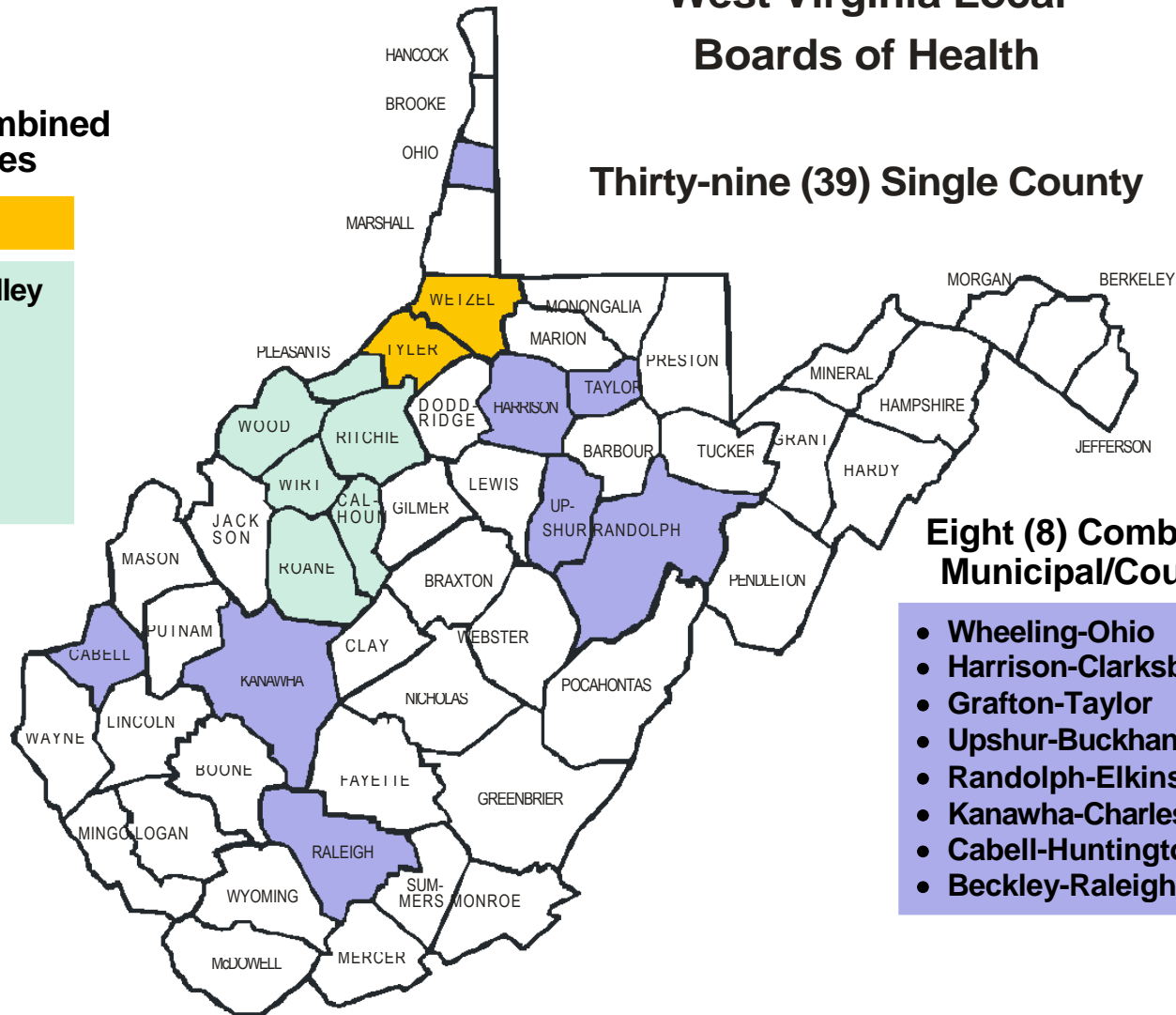
Two (2) Combined Counties

Wetzel-Tyler

Mid-Ohio Valley

- Calhoun
- Pleasants
- Ritchie
- Roane
- Wirt
- Wood

Thirty-nine (39) Single County



Eight (8) Combined Municipal/County

- Wheeling-Ohio
- Harrison-Clarksburg
- Grafton-Taylor
- Upshur-Buckhannon
- Randolph-Elkins
- Kanawha-Charleston
- Cabell-Huntington
- Beckley-Raleigh

Legal Authority for Establishing Performance Standards



Legal Framework

- ❑ *West Virginia Code*, Chapter 16, Article 2. *Local Public Health*. Establishes uniform provisions applicable to all local boards of health, whatever organizational form is elected, to ensure the *consistent* performance of duties relating to *basic public health services* and other health services and the enforcement of the laws of this state pertaining to public health.
- ❑ *W. Va. Code R. 64-73-1 et seq.* (Standards for Local Boards of Health). Establishes standards for the plans of operation, administration, fiscal reporting, quality assurance, and provision of public health services and programs by local boards of health.
- ❑ *W. Va. Code R. 64-67-1 et seq.* (Distribution of State Funds for Support of Local Boards of Health). Establishes a formula for the Commissioner to use in distributing State funds to support local boards of health.
- ❑ *Local Boards of Health Performance Standards* Establishes objective standards such as rules or guidelines against which a local health department's level of performance can be measured; *W.Va. Code* § 16-2-2(q) "Performance-based standards" means generally accepted, objective standards such as rules or guidelines against which a local health department's level of performance can be measured;
- ❑ *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Title 2 Subtitle A Chapter II Part 200). Establishes uniform administrative requirements, cost principles, and audit requirements for Federal awards to non-Federal entities.

Local Boards of Health

- ❑ Provide the *basic public health services* and programs in accordance with *state public health performance-based standards*.
W.Va. Code § 16-2-11

- ❑ "Performance-based standards" means generally accepted, objective standards such as rules or guidelines against which a local health department's level of performance can be measured;
W.Va. Code § 16-2-2(q)

- ❑ "Basic public health services" means those services that are **necessary** to protect the health of the public and that a local board of health **must** provide. The three areas of basic public health services are:
 - ❖ Communicable and reportable disease prevention and control,
 - ❖ Community health promotion and
 - ❖ Environmental health protection.

W.Va. Code § 16-1-2(a)

Community health promotion

Community health promotion including assessing and reporting community health needs to improve health status, facilitating community partnerships including identifying the community's priority health needs, mobilization of a community around identified priorities and monitoring the progress of community health education services

Environmental health protection

Environmental health protection including the promoting and maintaining of clean and safe air, water, food and facilities and the administering of public health laws as specified by the Commissioner as to general sanitation, the sanitation of public drinking water, sewage and wastewater, food and milk, and the sanitation of housing, institutions, and recreation.

Communicable and reportable disease prevention and control

Communicable or reportable disease prevention and control including disease surveillance, case investigation and follow-up, outbreak investigation, response to epidemics, and prevention and control of rabies, sexually transmitted diseases, vaccine preventable diseases, HIV/AIDS, tuberculosis and other communicable and reportable diseases

Program Plan

Submit a general plan of operation to the Commissioner for approval, if it receives any state or federal money for health purposes. This program plan shall be submitted annually and comply with provisions of the *local board of health standards administrative rule (W. Va. Code R. 64-73-1 et seq. - Standards for Local Boards of Health)*.

W.Va. Code § 16-2-11(a)(3).

The Commissioner and the Secretary may pay over and contribute to any board of health created and maintained pursuant to the provisions of this article the sum or sums of money that may be available from funds included in appropriations made for the Department of Health and Human Resources. The Commissioner may withhold all or part of any funds until a local board of health submits an acceptable plan to correct deficiencies in the local board's program plan.

W.Va. Code § 16-2-14.

Legislative Rules



The Secretary of DHHR is authorized to propose rules necessary and proper to effectuate the purposes of chapter 16.

W.Va. Code § 16-1-4.

W. Va. Code R. 64-73-1 et seq. Standards for Local Boards of Health (1996) establishes standards for the plans of operation, administration, fiscal reporting, quality assurance, and provision of public health services and programs by local boards of health.

Provides direction to local boards of health in the following categories:

- Organizational Requirements
- Health Services and Program Requirements
- General Administration Requirements
- Financial Management Requirements
- Facility Requirements
- Reporting Requirements
- Penalties for Non-Compliance

Organization

- ❑ Must be organized in accordance with Chapter 16 of the W. Va. Code.
- ❑ A local board of health in a county having a population greater than thirty thousand (30,000) shall meet no less than six (6) times a year. A local board of health in a county having a population less than thirty thousand (30,000) shall meet no less than four (4) times a year.
- ❑ The board shall comply with the requirements of the Open Governmental Proceedings Act.
- ❑ The by-laws of the board shall at a minimum include attendance requirements for board members, the number, duties, tenure and qualifications of members, a description of the process for filling vacancies on the board, requirements for written minutes and records of board actions, and a description of the duties and election process for officers. A quorum of the board for transacting business is a simple majority of the constituent membership of the board.

Health Services and Programs.

The board shall provide the following public health services and programs:

- Evaluation of the health needs of the community it serves using generally accepted professional health needs assessment techniques;
- Efforts to prevent and control epidemics, and investigation and containment of diseases and injuries through compliance with the requirements of 64 CSR 7 (Reportable Diseases), regarding disease surveillance and epidemiological reporting;
- Promotion of a safe and healthy environment, and maintenance of clean and safe air, water, food and facilities through a program of routine public health environmental education and control;
- Promotion of healthy lifestyles, including the provision of health education to individuals and communities;
- Targeted outreach and the formation of partnerships with other community organizations; and
- Initiation and participation in mobilization of the community for actions to improve the health and well-being of the population served.

Health Services and Programs.

The board shall administer public health sanitation rules as specified by the director with regard to:

- Public drinking water sanitation;
- Sewage and wastewater sanitation;
- Food and milk sanitation;
- Housing and institutional sanitation;
- Recreational sanitation; and
- General sanitation.

Health Services and Programs.

- The board of health shall implement a program of immunizations according to the Standards for Pediatric Immunization Practices, as published by the U. S. Centers for Disease Control and Prevention.

- The board shall conduct preventive health programs designed to promote healthy behaviors.

- The board may provide individual health care services.

- The board shall maintain and conform to its written policies and procedures governing patient or client referral, release of information, confidentiality, and the consent for staff to provide services to patients or clients which shall be consistent with applicable federal and State laws, rules and regulations.

- Patient or client care protocols, including standing orders and medical directives shall be approved annually by the local health officer.

- The board may charge fees for permits and services as authorized by the director, the State legislature and applicable State law and rules.

Reports and Records

The board shall in a timely manner submit reports and records in compliance with applicable State and federal rules and regulations and departmental policies.

General Administration - Staff

- May employ or contract for staff to carry out its duties and responsibilities within funding available.
- Must have a written organizational chart for the local health department which indicates lines of authority and responsibility.
- Must review the organizational chart annually and document the review in minutes of an official board meeting.
- Must employ an administrator or designate a staff member or shall contract for an administrator to manage day-to-day operations.
- Staff and consultants of the board and of any contractors providing services for the board must be in compliance with applicable West Virginia licensure requirements.
- Must have liability insurance at least equivalent to that available to local boards through the State board of risk management which includes all staff, board members, and contracted services.

❑ Policies and Procedures

- ❖ All administrative policies, procedures, rules, and instructions specifying the operations and activities of the staff, including patient- or client-related activities shall be written and readily available to relevant staff.

❑ Personnel Management

- ❖ The board shall keep a confidential personnel record for each staff member.
- ❖ The board shall review and reapprove or revise functional job descriptions, including those performed through contract, at least every two (2) years.

❑ Staff Development

- ❖ The board shall provide an orientation program for all new staff which shall include, at a minimum, introduction and discussion of all policies relating to the job, behavior expected, patient confidentiality, and individualized on-the-job training in specific functions.
- ❖ The board shall provide training for staff who assume new functions or increased responsibilities or who experience other changes in their job responsibilities.
- ❖ The board shall provide in-service and continuing education related to current responsibilities to staff on an ongoing basis.

Financial Management

- ❑ The board must participate in audits of and be in compliance with procedures required by the State tax commissioner. The board must include a copy of the most recent audit report with the annual submission of the program plan.
- ❑ The board must identify in writing staff or contract staff who have the authority to:
 - ❖ Handle cash;
 - ❖ Sign checks; and
 - ❖ Approve or disapprove of expenditures.
- ❑ The board should maintain a cash reserve equal to at least the past three (3) months' operating expenditures of the local health department.
- ❑ The board shall establish a written schedule and procedures for reimbursement of employee travel and other expenditures.
- ❑ Contracts, memoranda, or other forms of agreement between the board and other parties shall be in writing.
- ❑ The board shall establish a procedure to monitor program costs, revenues, and expenditures.
- ❑ No later than thirty (30) days prior to the first day of July, the board shall develop a budget for the coming fiscal year. The budget shall identify and provide details of the operating expenses needed for each individual program and other activities.

Physical Facilities

- The board shall provide facilities and equipment for the local health department.

- The board should be able to provide evidence that the buildings and grounds of the local health department are in compliance with federal and State laws and regulations.

- The buildings and grounds of the local health department shall have one (1) or more outside signs which clearly identify the department.

- The board shall promote the protection of patient or client privacy.

- The board shall establish a policy prohibiting smoking or the use of smokeless tobacco in the local health department.

Program Plan

Program Plan Contents

- ❖ The plan shall be submitted on forms supplied or approved by the director which shall include:
- ❖ A comparison of current year activities (year-to-date) and projections for the coming year;
- ❖ A brief general mission statement;
- ❖ An overall general five (5) year plan;
- ❖ Short-term goals for each program; and
- ❖ The budget document.

- Submission:** The plan shall be submitted annually to the division no later than thirty (30) days prior to the first day of July.

Planning Process

- ❖ The board shall conduct an ongoing planning process.
- ❖ The board shall provide opportunities for and document citizen and staff participation in planning, developing, and implementing programs.

Evaluation

- ❖ The director shall approve or disapprove the board's program plan based on compliance with this rule.

Penalties for Non-Compliance

In the event that the [Commissioner] determines that a local board of health is not in compliance with this rule, the [Commissioner] may withhold State aid funds until such time as the board submits an acceptable plan to correct deficiencies in the program plan.

The Secretary required to propose a rule for legislative approval for the distribution of state aid to local health departments and basic public health services funds.

The rule must include the following provisions:

- Base allocation amount for each county;
- Establishment and administration of an emergency fund of no more than two percent of the total annual funds of which unused amounts are to be distributed back to local boards of health at the end of each fiscal year;
- A calculation of funds utilized for state support of local health departments;
- Distribution of remaining funds on a per capita weighted population approach which factors coefficients for poverty, health status, population density and health department interventions for each county and a coefficient which encourages counties to merge in the provision of public health services;
- A hold-harmless provision to provide that each local health department receives no less in state support for a period of four years beginning in the 2009 budget year

W.Va. Code § 16-1-2(a)

Distribution of State Funds for Support of Local Boards of Health

W. Va. Code R. 64-67-1 et seq. (Distribution of State Funds for Support of Local Boards of Health) (2010) provides the calculation of the distribution of state funds to each local board of health according to the following formula, based upon the recommendations of the Center for Business and Economic Research (CBER) Funding Study:

- Step 1 Poverty:** The “need factor” is the percentage of individuals in the county living below the level of income established by the federal government as being in poverty. Poverty is assigned a weight of forty percent.
- Step 2 Health Status:** The “need factor” is years of potential life lost in the county. Health status is assigned a weight of 20 percent.
- Step 3 Population Density:** The “need factor” is density of individuals living in the county less than the state average. Population density is assigned a weight of 15 percent.
- Step 4 Interventions:** The “need factor” is the number of interventions per thousand population above the state average in the county total. Interventions are assigned a weight of 10 percent.
- Step 5 Consolidation:** While not a “need factor” this coefficient is included to encourage counties to merge in the provision of local public health services. The indicator is the number of counties served by the local board of health. Consolidation is assigned a weight of 15 percent;
- Step 6: Weighted population calculation:** The weighted population for each local board of health
- Step 7: Base Amount:** The determination of the base amount of funds per county
- Step 8: Per Capita Distribution**
- Step 9: Hold Harmless:** This step is included to provide that each local board of health receives no less in state funds than it received in the 2009 budget year for a minimum of three years from the effective date of this rule.

- ❑ The Commissioner is to complete the calculations as soon as possible, but not more than two (2) weeks after the budget is passed and the legislative budget instructions are approved.

- ❑ After completing the calculations, local boards of health to be informed of their allocation as quickly as possible, but in any case not more than four (4) weeks after the Legislature has passed the budget and approved the legislative budget instructions.

- ❑ The Commissioner to distribute to eligible local boards of health according to standard State procedures beginning the first day of July of the fiscal year for which the funds have been appropriated or as soon as possible after the Legislature has passed the budget and approved the legislative budget instructions.

Emergency Funds

- ❑ The Commissioner to use the emergency fund to assist local boards of health in need of funds to meet unanticipated financial emergencies.
- ❑ The Commissioner may develop an application form for one or more local boards of health to use to apply for emergency funds.
- ❑ Funds not obligated for emergency use by the 15th day of May must be distributed by the Commissioner to local boards of health according to the provisions of subsection 4.3. of the rule.

State Public Health Performance Standards



Performance Standards

- Adopted on March 21, 2000

- Communicable and Reportable Diseases – 36 standards

- Community Health Promotion – 3 standards

- Environmental Health Protection – 26 Standards

- Administrative – 33 standards

- Financial – 9 Standards

Standards specific to:

- Provider and Community Education
- Disease Surveillance
- Rabies Control and Prevention
- Availability of Screening and Treatment for STDs
- Capacity for HIV Community and Provider Education
- Tuberculosis Prevention, Control, Surveillance and Reporting
- Vaccine Preventable Disease Assessment, Outreach and Administration

Standards specific to:

- Sudden Infant Death Syndrome (SIDS) Data Collection
- Sudden Infant Death Syndrome Survivor Support
- Sudden Infant Death Syndrome Education and Outreach
- Lead Poisoning Data Collection
- Newborn Screening Kits
- Newborn Tracking

Standards specific to:

- **Community Health Assessment (CHA)**
 - Once every 5 years
- **Community Health Planning**
 - An ongoing & strategic planning process to address public health problems identified in the CHA
- **Community Health Implementation Plan (HP3)**
 - Serves to reinforce partnerships to generate interest and support for improved community health

Standards specific to:

- Sanitarian Training to meet registration requirements
- Disasters Inspection and Surveillance
- Tattoo Studios/Body Piercing Studios Inspection and Permits
- Food Establishments
- Child Care Centers
- Manufactured Home Communities

Standards specific to:

- Hotels/Motels, Beds and Breakfast Inns
- Schools
- Recreational Water Facilities
- Organized Camps
- Sewage Systems
- Environmental Health Protection Standards Fees and Inspections

Standards specific to:

- Public and Community Sewer Systems Complaints
- Individual Water Wells
- Water & Milk Samples
- Home Loan Evaluation
- Food Service Worker Training
- Indoor Air Enforcement
- Campground & Parks
- Institutions of Higher Learning

Standards specific to:

- Local board of health membership requirements
- Functions such as policy development, setting organizational goals, reporting and compliance with state and federal laws and regulations
- Governance practices such as by-laws and training and orientation
- Organization and personnel (appoint health officer, assure a merit system and establish organizational structure)

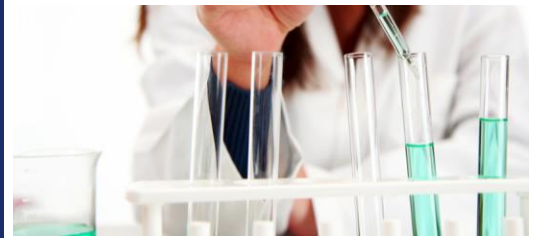
Standards specific to:

- Hours of operation
- Scope of services
- Marketing
- Continuous quality improvement
- Facilities
- Risk Management and Liability Protection

Standards specific to:

- Personnel
- Budget and Statistical Data
- Financial Accounting and Statements
- Annual Audits
- Purchasing

Federal Requirements



Federal Government Requirements

- ❑ On December 26, 2013, the Office of Management and Budget (“OMB”) published final guidance in the Federal Register entitled “*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*”.
- ❑ Supersedes and combines the requirements of eight OMB Circulars (A-21, A-50, A-87, A-89, A-102, A-110, A-122 and A-133)
- ❑ Intended to streamline the federal grant-making and monitoring process, to ease administrative burden for grant applicants and recipients, and to reduce the risk of waste, fraud and abuse.
- ❑ Effective on December 26, 2014, one year after its publication date. Standards set forth in Subpart F (Audit Requirements) apply to audits of fiscal years beginning on or after December 26, 2014.

Reforms fall into three main categories:

- ❑ Administrative Requirements under Subparts A through D, covering OMB Circulars A-102, A-110 and A-89;
- ❑ Cost Principles under Subpart E, covering OMB Circulars A-21, A-87, A-122 and 45 C.F.R. Part 75; and
- ❑ Audit Requirements under Subpart F, covering OMB Circulars A-133 and A-50

- ❑ Subpart A: Acronyms and Definitions

- ❑ Subpart B: General Provisions

- ❑ Subpart C: Pre-Award Requirements and Contents of Federal Awards

- ❑ Subpart D: Post-Award Requirements
 - Cost Principles (Subpart E)
 - Audit Requirements (Subpart F)

Subpart A: Acronyms and Definitions

* Standardizes defined terms present throughout the Final Guidance, as well as throughout Federal-approved information collections used to manage awards. For example, § 200.94 (Supplies) clarifies the threshold for defining personal property as a “supply” and the circumstances under which computing devices may be considered supplies rather than “equipment” (the latter being subject to more stringent administrative requirements).

Subpart B: General Provisions

* **Exceptions** (§ 200.102)—On a case-by-case basis, in accordance with OMB Memorandum M-13-17, OMB may waive certain compliance requirements and approve new strategies for innovative programming that improve cost-effectiveness and encourage collaboration across programs to achieve targeted outcomes, including pay-for-performance programs.

* **Conflict of Interest; Mandatory Disclosures** (§ § 200.112, -.113)—Requires Federal agencies to have policies on conflict of interest in Federal awards, and requires NFEs to disclose to Federal agencies any conflict of interest or relevant violation of Federal criminal law.

Subpart C: Pre-Award Requirements and Contents of Federal Awards

* **Use of Grant Agreements** (Including Fixed Amount Awards), Cooperative Agreements and Contracts (§ 200.201)—Minimizes compliance requirements in favor of requirements to meet performance milestones.

* **Notice of Funding Opportunities** (§ 200.203)—Sets forth the standard set of data elements to be provided in all Federal notices of funding opportunities to make such notices easier for NFEs to compare and understand. All funding opportunities must be available for application for at least 60 days; the Federal awarding agency, in its discretion, may reduce the application period, but in no case may it be less than 30 days.

* **Information Contained in a Federal Award** (§ 200.210)— Sets forth the standard set of data elements to be provided in all Federal awards, thus reducing the administrative burden and costs associated with award management for NFEs.

* **Federal Awarding Agency Review of Merit of Proposals; Federal Awarding Agency Review of Risk Posed by Applicants; Specific Conditions** (§ § 200.204, -.205, -.207)—Requires Federal awarding agencies to evaluate the merits and risks associated with a potential Federal award and, before the money is spent, to impose specific conditions as necessary to mitigate potential risks of waste, fraud and abuse.

* **Standard Application Requirements; Performance Measurement; Financial Reporting; Monitoring and Reporting Program Performance** (§ § 200.206, -.301, -.327, -.328)—Requires Federal awarding agencies to use OMB-approved standard information collections to manage Federal awards.

Subpart D: Post-Award Requirements

- * **Performance Measurement** (§ 200.301)—Provides more robust guidance for measuring performance to help entities improve program outcomes and disseminate promising practices.
- * **Internal Controls** (§ 200.303)—Requires NFEs to take reasonable measures to safeguard protected personally identifiable information, as well as any information designated as sensitive by the awarding agency or the pass-through entity. Relocates guidance formerly within audit requirements to encourage NFEs to implement effective internal controls and to do so earlier in the award process.
- * **Payment** (§ 200.305)—Extends to NFEs previously covered by A-102 the existing flexibility in A-110 to pay interest earned on Federal advance payments annually to the Department of Health and Human Services Payment Management System rather than “promptly” to each Federal awarding agency.
- * **Cost Sharing or Matching** (§ 200.306)—Clarifies policies for voluntary committed cost sharing, ensuring that such sharing (i) is only solicited for research proposals when required by regulation, (ii) is transparent in the notice of funding opportunity and (iii) is never considered during merit review.
- * **General Procurement Standards** (§ 200.318)—Requires entities’ procurement practices to avoid duplicative purchases and to encourage inter-entity agreements for shared goods and services. Eliminates NPG language requiring (i) review of proposed procurement methods by Federal awarding agencies and (ii) the provision of information concerning any protests of a procurement to the Federal awarding agency.

*** Requirements for Pass-Through Entities (§ 200.331)**—Pass-through entities must provide an indirect cost rate to subrecipients, which may be the de minimis rate (10%). Clarifies that required monitoring of subrecipients includes: (i) reviewing any performance and financial reports that the pass-through entity has decided to require in order to meet its own award terms/conditions; (ii) following-up to ensure that the subrecipient takes timely and appropriate corrective action on any and all deficiencies related to Federal awards; and (iii) issuing management decisions on weaknesses found through audits only when those findings pertain to Federal award funds provided to the subrecipient by the pass-through entity. Pass-through entities also must verify, rather than ensure, that the subrecipient has an audit as required by Subpart F. Requires pass-through entities to consider risks associated with subawards and allows flexibility to adjust their oversight framework based on such consideration of risk.

*** Collection, Transmission and Storage of Information (§ 200.335)**—Encourages entities to transmit and store award-related information in electronic, open, machine-readable formats with appropriate internal controls to safeguard against inappropriate alteration of such records.

*** Remedies for Noncompliance; Closeout (§ § 200.338, -.343)**—Provides tools to Federal agencies to manage non-compliance and efficiently closeout awards, including an extension of the closeout period from 180 days to one year.

Cost Principles (Subpart E)

The Final Guidance limits allowable costs to make the best use of Federal resources, clarifies allowable spending for certain specific cost items, and provides for the consistent and transparent treatment of costs.

* **Policy Guide (§ 200.400)**—Prohibits NFEs from earning or keeping profit from Federal financial assistance unless expressly authorized by the terms/conditions of the Federal award.

* **Prior Written Approval (Prior Approval) (§ 200.407)**—Provides both Federal agencies and NFEs with a single comprehensive list of circumstances under which NFEs must seek prior approval from the Federal awarding agency, the cognizant agency or the pass-through entity, as applicable

* **Direct Costs** (§ 200.413)—Makes consistent the guidance that administrative costs may be treated as direct costs if the NFE demonstrates that such costs are directly allocable to a Federal award. Identification with the Federal award, rather than the nature of the goods and services involved, is the determining factor in distinguishing direct costs from indirect costs. If directly related to a specific award, certain costs that would otherwise be treated as indirect costs also may include extraordinary utility consumption, the cost of materials supplied from stock or services rendered by specialized facilities or other institutional service operations. Salaries of administrative and clerical staff may be treated as direct costs if (i) the services are integral to a project or activity; (ii) the individuals involved can be identified specifically with the project or activity; (iii) the costs are included expressly in the budget or have the prior written approval of the Federal awarding agency; and (iv) the costs are not recovered as indirect costs. Activities that (i) include the salaries of personnel, (ii) occupy space and (iii) benefit from the NFE's indirect costs must be treated as direct costs for purposes of determining indirect cost rates.

* **Indirect (Facilities and Administrative (“F&A”)) Costs** (§ 200.414)—Provides for a de minimis indirect cost rate of 10% of modified total direct costs (“MTDC”) to NFEs that have never had a negotiated indirect cost rate. Federal agencies must accept a negotiated indirect cost rate unless an exception is required by statute or regulation or is approved by a Federal awarding agency head/delegate based on publicly documented justification. Allows for a one-time extension without further negotiation of a federally approved negotiated indirect cost rate for up to four years.

* **Required Certifications** (§ 200.415)—Strengthens NFE accountability by providing explicit and consistent language for required certifications that includes awareness of potential penalties under the False Claims Act.

* **Cost Accounting Standards and Disclosure Statement** (§ 200.419)—Threshold for IHEs to comply with Cost Accounting Standards is raised to align with the threshold in the Federal Acquisition Regulations. Process for Federal agency review of changes in accounting practices is streamlined to reduce risk of noncompliance.

* **Time and Effort Reporting Requirements (§ 200.430)**—Strengthens requirements for NFEs’ internal controls over salaries and wages, while allowing flexibility to meet such requirements. Emphasizes that charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. When after-the-fact interim charges are based on budget estimates, the NFE’s internal controls must contain processes to ensure that necessary adjustments are made such that the final amount charged to the award is accurate, allowable and properly allocated. For Federal awards of similar purpose or instances of approved blended funding, allows NFEs to submit and Federal agencies to approve alternative methods of accounting for salaries and wages based on achievement of performance outcomes. Auditors must test the NFE’s internal controls as part of the Single Audit requirements in Subpart F.

* **Conferences (§ 200.432)**—Clarifies allowable conference spending, including, but not limited to, facility rental fees, speakers’ fees, meals and refreshments, local transportation and the cost of identifying (but not providing) locally available dependent care options for attendees. Requires conference hosts/sponsors to exercise judgment in ensuring that conference costs are appropriate and necessary and to manage conferences so as to minimize Federal award costs.

* **Employee Health/Welfare Costs (§ 200.437)**—Eliminates the allowance for “morale” costs.

* **Contingency Provisions (§ 200.433)**—Outlines circumstances under which contingency costs may be included in awards.

* **Idle Facilities and Idle Capacity (§ 200.446)**—Allows for costs of idle facilities when necessary to meet workload fluctuations (e.g., when developing shared service arrangements).

* **Interest (§ 200.449)**—Allows NFEs to be reimbursed for financing costs associated with patents and computer software capitalized in accordance with GAAP for fiscal years beginning on or after January 1, 2016.

* **Relocation Costs of Employees (§ 200.464)**—Limits the amount of time for which a Federal award may be charged for the costs of an employee’s vacant former home to six months.

* **Student Activity Costs (§ 200.469)**—Expands to all entities the limitation on student activity costs that previously applied only to IHEs.

* **Travel Costs (§ 200.474)**—Allows temporary dependent care costs that result directly from travel to conferences and that meet specified standards.

Audit Requirements (Subpart F)

The Final Guidance reduces the pool of audited entities and focuses on areas with the highest risk of waste, fraud and abuse. The Final Guidance increases transparency and accountability by making audit reports publicly available online, and encourages Federal agencies to take a more cooperative approach to audit resolution by seeking to remedy underlying weaknesses in internal controls.

* **Audit Requirements (§ 200.501)**—Raises the Single Audit threshold from \$500,000 in federal awards per year to \$750,000 in federal awards per year. Reduces the audit burden for approximately 5,000 NFEs while maintaining Single Audit coverage for over 99% of the Federal dollars currently covered.

* **Report Submission (§ 200.512)**—Requires publication of Single Audit Reports online (with safeguards for protected personally identifiable information) to reduce the administrative burden on NFEs associated with transmitting these reports to all interested persons.

* **Responsibilities (§ 200.513)**—Requires Federal awarding agencies to designate a Senior Accountable Official to oversee effective use of the Single Audit tool and to implement metrics to evaluate audit follow-up. Encourages Federal awarding agencies to make effective use of cooperative audit resolution practices to reduce repeated audit findings.

* **Audit Findings (§ 200.516)**—Raises the threshold for reporting questioned costs to \$25,000.

* **Major Program Determination (§ 200.518)**—Focuses audits on areas with internal control deficiencies identified as material weaknesses. Future updates to the Compliance Supplement will reflect this focus.

Summary

- ❑ Chapter 16, Article 2. *Local Public Health.*

- ❑ *W. Va. Code R. 64-73-1 et seq. (Standards for Local Boards of Health).*

- ❑ *W. Va. Code R. 64-67-1 et seq. (Distribution of State Funds for Support of Local Boards of Health).*

- ❑ *Local Boards of Health Performance Standards*

- ❑ *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Title 2 Subtitle A Chapter II Part 200).*

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