




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

Michael F. Easley
Governor

David T. McCoy
State Budget Director

June 23, 2006

MEMORANDUM

FROM: David McCoy 

TO: Heads and Chief Fiscal Officers of State Departments,
Agencies and Institutions

SUBJECT: Suspension of Funding to Non-State Entities

To assist in the management and oversight of funds provided to non-state entities, the General Assembly adopted G. S. § 143-6.2 which requires that the Office of State Budget and Management (OSBM) maintain a "Suspension of Funding" list accessible to any interested party (*see also*, 09 NCAC 03M for the relevant North Carolina administrative rules). The list is attached for your review and use.

Consistent with the statutory mandate, all agencies are hereby notified and directed that they shall not enter into any further grant agreements with any non-state entity appearing on the list, unless written approval is provided by OSBM. Most of the non-state entities appearing on the list have not satisfied the mandatory reporting requirements for state funds disbursed to them during State Fiscal Year 2005. A non-state entity can regain its eligibility for receipt of state funds and be removed from the list by providing all required reports to the funding agency(s), the Office of State Auditor, and by making a request to the funding agency(s) to have its name released from the list; agencies will report their recommendation to OSBM.

If a non-state entity is listed for other non-compliance issues, those issues must be resolved to the satisfaction of the funding agency(s), the Office of State Auditor, and OSBM. OSBM will make the final decision on removal from the list. In no case should an agency enter into a new agreement with a listed entity unless written approval is received from OSBM.

It is important to note that some of the entities appearing on the list may still be eligible to receive state funds through special programs, such as the Child and Adult Food Care Program, which prohibit withholding of funds. State agencies and programs are advised

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to not enter into new grant agreements with these entities. If there is any question about whether an organization should continue to receive funds, please contact this office and request an advisory opinion.

The Office of State Auditor maintains a "reporting non-compliance list" and routinely informs state agencies about the status of non-state entities reporting to them. OSBM works from the State Auditor's list and consults with funding agency staff on any mitigating circumstances to produce the Suspension of Funding list. While the two lists should be similar, they will not be identical. The Suspension of Funding List can be found on the OSBM website at (<http://www.osbm.state.nc.us/osbm/index.html>); it will be updated at the beginning of each quarter.

Tom Newsome, Assistant State Budget Officer for Management, will be OSBM's contact to discuss issues related to the Suspension of Funding List. If Mr. Newsome is unavailable, please ask for Ms. Angela Houston. Mr. Newsome can be reached by phone at (919) 807-4744 or email at tom.newsome@ncmail.net and Ms. Houston can be reached by phone at (919) 807-4727 or email at angela.y.houston@ncmail.net.

OSBM thanks the agency personnel and staff in the Office of State Auditor involved in the administration of these grants who have worked very hard to educate and inform non-state entity personnel on the responsibilities involved in the management of and reporting requirements associated with the receipt of state funds.

If OSBM staff can be of assistance, please let us know.

TN:dmc

Attachment

**OFFICE OF STATE BUDGET AND MANAGEMENT
SUSPENSION OF FUNDING LIST
JUNE 23, 2006**

TaxID	Grantee Name
561732129	AFFORDABLE HOUSING COALITION OF ASHEVILLE AND BUNCOMBE COUNTY
561352211	ALBEMARLE HOPELINE
560562295	ASHEVILLE DAY NURSERY SCHOOL INC
566007078	BARBER-SCOTIA COLLEGE
561817999	BERTIE MARTIN WASHINGTON COMMUNITY DEVELOPMENT CORPORATION
241943756	BLACK'S MEMORIAL PRESBYTERIAN CHURCH
560513181	BLOWING ROCK HOSPITAL
561025032	BLUE RIDGE HOSPITAL SYSTEM (SPRUCE PINE COMMUNITY HOSPITAL)
561544390	BRIDGE JOBS PROGRAM
562221108	BROOKSTONE SCHOOLS
562249776	CABARRUS COMMUNITY CARE PLAN
560554202	CALDWELL MEMORIAL HOSPITAL
560936909	CAROBELL CHILDRENS CENTER
561099607	CASWELL COUNTY PARISH, INC.
560529947	CENTRAL CHILDREN'S HOME OF NORTH CAROLINA
562141282	COMMUNITY PARTNERS HEALTHNET
522315654	DAY BREAK - ADULT DAY SERVICES
561333073	EDU-CARE
521540289	ENKA-CANDLER FIRE & RESCUE DEPT, INC.
561634631	FAIRYLAND LEARNING CENTER
560841937	GASTON COMMUNITY ACTION INC
561139792	GREATER ENRICHMENT PROGRAM
522108369	GUILFORD SCHOOL HEALTH ALLIANCE
561385371	HARRELLSVILLE HISTORICAL ASSOCIATION
161662152	HEALTHY CAROLINIANS INC
943420632	HELEN GANTT CHILD DEVELOPMENT CENTER
541408738	HELP CENTER OF MATTHEWS
591347774	HOWELL'S CHILD CARE CENTER
561567211	JACK & JILL DAY CARE
581983449	KIDS ADVOCACY RESOURCE EFFORT (KARE)
561749485	LAKE LOGAN CECIL VOLUNTEER FIRE DEPARTMENT
560603925	MARIA PARHAM HOSPITAL
561779865	MECKLENBURG AREA CATHOLIC SCHOOLS
561802640	MOUNT SINAI BAPTIST CHURCH
620301937	MOUNTAIN ELECTRIC COOPERATIVE, INC.
562095789	MS DI'S LAUGHTER & LEARNING
560556754	NAZARETH CHILDREN'S HOME
561794515	NORTH CAROLINA CHILD CARE RESOURCE AND REFERRAL NETWORK
581661770	NORTH CAROLINA COMMUNITY FOUNDATION OF JACKSON
561192468	OXFORD BUSINESS AND PROFESSIONAL CHAINS
561221163	PARKWOOD VOLUNTEER FIRE DEPARTMENT
582089779	PIEDMONT HIV HEALTH CARE
800024979	PLAY AND LEARN CHILD CARE
562161697	PROMISED LEARNING CENTER
383647392	PROSPEROUS CHILDREN CHILD CARE
581677050	ROANOKE CHOWAN SERVICES FOR ABUSED FAMILIES WITH EMERGENCIES
562035909	ROBESON ENTERPRISE COMMUNITY DEVELOPMENT CORPORATION, INC.
560543227	SALVATION ARMY
581741827	SANDHILLS REGIONAL MEDICAL CENTER
561593693	START RITE PRE-SCHOOL INC

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TaxID	Grantee Name
581697430	SURRY WOMEN'S SHELTER, INC.
561949024	TEDI BEAR CHILDRENS ADVOCACY
562361849	THE LEARNING TREE ENRICHMENT CENTER INC
581586279	THE SHILOHIAN AND ST. PETER'S CORP
561832911	TOTVILLE UNIVERSITY
562266377	TRINITY CHRISTIAN CHILD CARE
560770432	TRUSTEES OF SCHIELE MUSEUM
562280627	UNITY CHILDREN AND FAMILY SERVICES
561753898	UNITY TABERNACLE DAY CARE
561480022	WILSON CO RESIDENTIAL SER
237087200	Y. O. U.
561615551	YOUTH ASSISTANCE PROGRAM
561913689	ZION HILL AME ZION CHILD DEVELOPMENT