

**SECTION
VII-A**

SECTION VII - ADJUSTMENTS BY STATE OFFICE TO DSS-1571 REPORTS AND SINGLE AUDIT FOLOW-UP PROCEDURES

March 31, 2012

Section VII-A Adjustments to DSS-1571 Reimbursement Reports

County Fiscal Audit Procedure Assistance- For information on DSS-1571 reporting and special tests and provisions related to contract procedures, internal control for information systems, indirect cost, prior approval of computer equipment and EPICS, please review the DSS Crosscutting Supplement found at <http://www.nctreasurer.com/LGC/compsup2011/crosscutting/dss-0-2011.pdf>

A. The County Administration Accounting Unit will advise counties of adjustments affecting their administrative cost reports, DSS-1571, Parts I, Part II and Part IV.

Adjustments which may be made to submitted reports are of four types:

1. Reporting corrections of a routine, non-recurring nature primarily affecting personnel costs.
2. Adjustments resulting from periodic monitoring and exceeding allocations.
3. Adjustments resulting from scheduled audits by the Department of Health and Human Services.
4. Personnel non-compliance findings as determined by Department of Health and Human Services Regional Personnel reports.

Note: Counties submitting '*Requests for reclass*' must include a statement which certifies that the reclass request being submitted is valid.

B. Occasionally, counties request reclassifications between funding sources. Some requests cannot be completed for various reasons. Reasons include:

1. Reclasses will not be completed from application codes identified as "admin" to application codes identified as "services" nor vice versa. For example, funds from application code 371 TANF CPSFCADT. SVC CO 100% Cnty cannot be reclassified to application code 226 TANF ADMIN 100% Fed.
2. Reclasses will not be completed when doing so will cause the fund to drop below a zero balance. For example, a county requests a reclass of \$1,000 from application code 464 PERM PLAN 100% CNTY to application code 368 SPEC PERM PLANNING. If the balance in application code 368 is only \$600, only \$600 would be reclassified to 368. To do more would carry the balance of Special Permanency Planning below zero.
3. Reclasses will not be completed for any application codes to which the counties have access and can reclass themselves. Counties have the ability to reclass expenditures from certain application codes such as 074, 131, 340 and 483 (please check the

available codes listed in section III-A and III-B of the Fiscal Manual). This allows for a more appropriate audit trail.

Also, using the Maximus software, counties have the capability of reviewing their expenditures before it is uploaded to the State, thus enabling county staff to move overages between funding sources before the information is submitted monthly. Counties should monitor their Funding Authorizations by using the XS411 (YTD Allocations-Expenditures) report and when funding is exhausted for a particular funding source, begin coding to another appropriate funding source.

1. General

Monitoring is a management device used to provide for standardized reviewing of local service delivery agencies, both departments of social services and provider agencies. The review consists of several components, one of which is the fiscal component. The basic purpose of this component is to help an agency (a) to avoid or minimize audit exceptions; (b) to achieve a higher level of compliance with state policies, standards and regulations; and (c) to establish corrective action methods.

In the Division, the monitoring process is the responsibility of the services program staff and is defined in detail in the Family Services Manual, Volume VI, Chapter VIII (Services Monitoring System).

2. Responsibility for Monitoring

- a. Local support staff will monitor both county departments of social services and purchase of service provider agencies at the county level; to assess compliance with policy and to assist the local agencies to upgrade the level of compliance. Provider agencies are monitored by county department staff.
- b. State office staff members (family services and Local Business Liaisons) are available to provide technical assistance to county staff.

Corrective Action and Fiscal Adjustment

State office staff will review each corrective action plan submitted by providers as required by policy. **Improperly claimed expenditures resulting in fiscal chargeback's to the provider agency (including county departments) that have been approved by the Division will be adjusted following an appeal period.** The chargeback may be absorbed by the provider agency, adjusted in the next reimbursement payment made by the state office to the provider, or arrangements may be made to spread the adjustment over a period not to exceed the remaining months of the contract period or fiscal year, as appropriate.

1. For purposes of documenting an adjustment required in the audit process, which are shown in the DSS-1571 process, the counties must do the following:

- a. Fax or mail a copy of the Manual forms appropriate, (DSS-1571, Part I, II, or IV), showing that the adjustment was made. The change must correspond to the required audit adjustment and noted as "Audit Finding Adjustment".
 - b. A statement indicating that the audit adjustment has been made and the month of the report. This statement should be submitted to the DHHS audit coordinator.
2. References:
- Family Services Manual, Volume VI, Chapter VIII.
 - Grants Administration, 45 CFR 74, Subpart J, dated 9 June 1981.
 - NC Administrative Procedures Manual for Block Grant Funds, Section .1000, dated October 1, 1982

Personnel non-compliance situations are usually identified through routine procedures conducted by staff under the organizational direction of the Office of State Personnel. The fiscal resolution of such matters is according to the process that follows.

1. The regional personnel office provides the Division with a copy of the memorandum sent to the county director wherein he is advised of the existence of an out-of-compliance personnel situation. At the request of the Division's Chief of Local Support, the Controller's staff then proceeds to calculate the amount of the total salary and fringe benefits applicable to the non-compliance period, broken down by local/non-local participation as well as by program charged. Simultaneously, the Local Support Manager is asked to investigate and report any extenuating circumstances that should be considered.
2. In accordance with standard procedures, the Chief of Local Support advises the county of their liability in the matter, as well as their option of appealing (within 30 days) the non-compliance disallowance.
3. **The appeal consists of an informal process whereby the situation is reviewed and discussed at a meeting attended by the Division Director, the Chief of Local Support, the Local Support Manager, the County Director, and whomever else the County Director may consider appropriate.** Or, if the county prefers, the actual meeting may be dispensed with in favour of an appeal conducted via correspondence. In any case, current policy provides for no further administrative appeal beyond the Director of the Division of Social Services.
4. Subsequent to the foregoing process, the Controller's staff implements (through the Administrative Expenditure Reimbursement system) adjustments as considered appropriate by the Chief of Local Support

**SECTION
VII-B**

Section VII-B Single Audit

OMB Circular A-128 entitled “Audits of State and Local Governments”, which was originally issued on April 12, 1985, required that all local governments have an annual single audit performed for each fiscal year beginning with the county fiscal year ending June 30, 1986. This requirement included a review of both fiscal and compliance issues. Effective for fiscal years beginning on or after July 1, 1996, Circular A-128 was rescinded and its provisions were merged into the revised Circular A-133, which supersedes the prior Circular A-133 entitled “Audits of Institutions of Higher Education and Other Non-Profit Institutions”. Circular A-133 (revised June 27, 2003), now entitled “Audits of States, Local Governments, and Non-Profit Organizations”, sets forth standards for obtaining consistency and uniformity among Federal agencies for the audits of States, local governments, and non-profit organizations expending Federal awards. Any organization that receives federal or State financial assistance from a State agency is called a “subrecipient”.

G. S. 159-34 requires each State agency that awards financial assistance to local governments and public authorities to provide to the Local Government Commission (also known as the “LGC”, a division of the State Treasurer’s Office) standards of compliance and suggested audit procedures for each grant program administered by that State agency. These audit guides, which are updated annually by State agencies and published by the LGC, are commonly called “compliance supplements” and are prepared in Microsoft Word format. Compliance supplements are combined into a statewide publication entitled “Audit Manual for Governmental Auditors in North Carolina”, which can be accessed on the State Treasurer’s web site at www.treasurer.state.nc.us (choose State and Local Government, then Auditing and Reporting Resources, then Single Audit Resources, then Single Audit Hot Links, then 200X State Compliance Supplements [where “X” designates the State Fiscal Year]). Accordingly, compliance supplements have been developed by the Division of Social Services and other State agencies.

The LGC is responsible for receiving single audits from subrecipients on behalf of all State agencies. The LGC forwards copies of approved single audits to the N. C. Department of Health and Human Services (DHHS), Office of the Controller. Accordingly, county departments of social services are **not** required to submit any copies of their single audit reports to the Division of Social Services or to DHHS. If a response (or corrective action plan) is needed, the DHHS Controller will notify the county in writing.

Counties shall keep audit reports on file for the length of time specified in the county’s records retention and disposition schedule. Special appropriations are considered by the State to be financial assistance and thus are subject to the reporting requirements of G. S. 143-6.1. Additionally, if a county receives a special appropriation from the State that is passed through to subrecipients of the county, those subrecipients shall be subject to the same records retention and disposition requirements with respect to the records supporting the special appropriation.

The following are rules for audits of local governments, public authorities and contract agencies that receive funding from DHHS. Please note that section 10A NCAC 01A .1003 entitled "Purchase of Service vs. Financial Assistance" has been included in this manual. These sections provides guidance in determining when contractual arrangements are considered financial assistance and are subject to audit and when the contract is considered a purchase of goods/services is not subject to audit. **These rules were provided by the Audit Resolution Unit of the Office of Controller for publication in this Fiscal Manual on May 16, 2005.**

**10A NCAC 01A .1001
SINGLE AUDITS OF LOCAL GOVERNMENTS AND PUBLIC AUTHORITIES**

- (a) Independent auditors retained to conduct single audits for local governments or public authorities may be notified by the Department of Health and Human Services (hereinafter "the Department") or the Local Government Commission of problem areas that the audit shall address.
- (b) The Local Government Commission shall review single audits for compliance with OMB Circular A-133 and accept those single audits for the State that have been determined to comply with Federal and State requirements. Whenever a single audit is performed on a local government or public authority that received funds from the Department during the fiscal year audited, the Local Government Commission shall provide the Department with a copy of the audit report(s).
- (c) Following receipt of the audit report by the Controller of the Department, relevant portions of the report shall be sent to the Controller's Office employee who is assigned division responsibility for coordination of a departmental position on the corrective actions planned or taken.
- (d) The Department or any affected division of the Department may request any additional information deemed necessary for clarification of an audit finding, recommendation, questioned cost or the corrective action plan. The local government or public authority shall provide the information to the requesting official within 30 days after the receipt of the request. If additional information or clarification from the independent auditor is requested, the local government or public authority shall direct its auditor to provide the information requested to the requesting official within the 30 day response time.
- (e) If the Department has reason to believe that due professional care was not used in conducting a single audit or if a local government or public authority or their independent auditor is unwilling or unable to provide clarification or additional information requested by an official of the Department, a written request for review of the auditor's work papers may be filed with the Office of the State Auditor by the Controller. The Controller shall make or arrange for any review of the auditor's work papers deemed necessary for timely resolution of single audit findings, recommendations, or questioned cost.

- (f) Following receipt of any additional information requested, the Controller's Office shall prepare a recommendation to accept or reject the corrective action plan for each fiscal compliance finding, recommendation or questioned cost. The Director of an affected division shall prepare a recommendation to accept or reject the corrective action plan for each program-specific compliance finding or recommendation. If the corrective action plan is rejected, the reasons for the rejection and an acceptable corrective action shall be specified. These recommendations shall be forwarded to the Controller's Office Audit Resolution Coordinator for Governmental Audits for coordination of a Departmental position on the corrective action plan.
- (g) The Secretary of the Department shall provide the local government or public authority with a written determination which accepts or rejects the corrective action plan for each audit finding, recommendation or questioned cost that pertains to or otherwise affects a program of the Department. If the corrective action plan is rejected the reasons for the rejection and an acceptable corrective action shall be specified in the determination letter. If the corrective action plan indicates that the proposed corrective action for nonmonetary findings has not been implemented, the determination on all nonmonetary findings shall specify the time by which the local government or public authority shall implement the corrective action if different from the time proposed in the corrective action plan. The determination on all questioned costs or other charges to the Department shall state whether the cost or other charge is allowable or unallowable for reimbursement to the local government or public authority under applicable laws and rules. If a cost or other charge to the Department is determined to be unallowable for reimbursement, the determination letter shall require full monetary repayment to the Department within 60 days of the date of the determination letter. The amount of any cost or other charge determined to be unallowable shall constitute a debt due the State of North Carolina until repayment in full is received by the Department.
- (h) A determination by the Secretary of the Department required under Paragraph (g) of this Rule shall become final unless a petition for a contested case is filed in accordance with G.S. 150B-23.
- (i) Upon a petition for a contested case filed in accordance with G.S. 150B-23 monetary repayment or implementation of a corrective action required under Paragraph (g) of this Rule shall be suspended only for individual determinations or parts of a determination specifically disputed in the appeal. Interest may be charged under the conditions specified under Paragraph (j) of this Rule on the amount of any cost or other charge determined to be unallowable under Paragraph (g) of this Rule.
- (j) Except where otherwise provided by statutes or rules, Federal agencies are required to charge interest on overdue amounts in accordance with the Federal Claims Collection Standards (4 CFR Ch. II). The date from which interest is computed is not extended by litigation or the filing of any form of appeal. If a Federal agency charges the Department interest on the Federal share of an overdue amount from a local government or public authority, the Department shall charge the interest to the local government or public authority.

- (k) If a local government or public authority fails to make repayment of an amount due to the Department or obtain Department approval of a deferred payment plan by the "due date" specified in Paragraph (g) of this Rule, the Department shall offset the amount of the disallowance or any portion thereof remaining unpaid and any interest due from subsequent reimbursements or other amounts due the local government or public authority until the amount due is fully recovered.
- (l) A local government or public authority may propose a plan for repayment of amounts determined to be unallowable on an installment basis. The local government or public authority must certify that it is unable to make repayment by the "due date" specified in Paragraph (g) of this Rule and that commercial financing can not be obtained. Repayment of the Federal share of amounts determined to be unallowable shall not be allowed on an installment basis unless the Federal grantor agency approves of the installment plan or otherwise allows the Department the same installment repayment terms. Interest may be charged as specified under Paragraph (j) of this Rule while awaiting Federal approval of an installment plan or on installment payments.
- (m) If a local government or public authority fails to submit additional information requested under Paragraph (d) of this Rule or fails to implement corrective action within the time frame established by the Secretary under Paragraph (g) of this Rule, the Secretary of the Department or the Director of the requesting division may suspend all or any portion of the administrative and indirect cost funding administered by the Department until such time as the required corrective action plan or additional information is submitted as requested. Alternatively, the Secretary of the Department may issue a unilateral determination on the audit findings, recommendations, and questioned cost requiring any corrective action and repayment of questioned cost deemed necessary for compliance with the laws and rules governing assistance programs affected.

*History Note: Authority G.S. 143B-10(j); 143B-139.1; 143B-139.3; 159-34;
Eff. January 1, 1990;
Amended Eff. August 1, 2000.*

10A NCAC 01A .1002

AUDITS OF HOSPITALS, NONPROFITS, HIGHER EDUCATION AGENCIES

- (a) Public and private hospitals, public and private institutions of higher education and quasi-public and private nonprofit organizations [recipient organization(s)] which receive, use, or expend State or Federal funds must comply with the requirements of G.S. 143-6.1, Office of the State Auditor's Audit Advisory #2 and OMB Circular A-133 as applicable. These regulations detail reporting and other requirements that recipient organizations must meet in order to receive State or Federal funds. Depending on the amount of State or Federal funds received, used, or expended, the recipient organization(s) may be required to have either an audit made or a sworn accounting of receipts and expenditures.
- (b) The University of North Carolina and public hospitals operated by the State of North Carolina have annual audits performed by the State Auditor. The scope of such audits and the contents of the audit reports are the responsibility of the State Auditor and shall be accepted and relied upon by the Department unless a cognizant Federal agency finds that such audits do not meet the requirements of OMB Circular A-133.
- (c) The above audit requirements are not applicable to procurements. However, the purpose and substance of an agreement rather than form shall govern whether financial assistance was provided. A subrecipient is an entity that receives financial assistance passed down from the prime recipient. The subrecipient's responsibility is to help the recipient meet the requirements of the assistance award. The test for a subrecipient relationship is whether financial assistance is received from a recipient to carry out a program. A vendor is an entity that receives a procurement contract for goods or services. The vendor's responsibility is to meet the requirements of the procurement contract.
- (d) The above audit requirements do not replace a request for submission of audit reports in connection with requests for direct appropriation of state aid by the General Assembly through the Secretary of the Department for recommendations to the Governor and the Advisory Budget Commission and the General Assembly in accordance with G.S. 159-34.
- (e) The above audit requirements do not replace requirements for submission of a financial audit report or financial information by the Department in connection with applications for funding or licensure, provider certification or cost reporting, and other purposes not related to provision of State and Federal financial assistance.
- (f) The Secretary of the Department may grant a waiver of any or all of the audit standards to a recipient organization who does not receive any grants, contracts or other financial assistance financed in whole or in part with Federal funds when an audit of assistance financed with State funds is not otherwise required by law and is not cost effective.
- (g) Each recipient organization shall submit one copy of the audit report and corrective action plan required in Paragraph(a) of this Rule to each division of the Department which provided State or Federal financial assistance during the fiscal year covered by such audit within 30 days from the date the report is issued by the auditor, and no later than the 13th month following the close of the recipient organization's fiscal year in which assistance was received.

- (h) Upon receipt of the audit report the Department shall conduct a desk review of the audit report to determine if the reporting standards required in OMB Circular A-133 have been met. If an audit received from a recipient organization does not meet the standards required in OMB Circular A-133, the Secretary of the Department shall issue a letter of determination to the recipient organization rejecting the audit and listing the required standards that were not met. The recipient organization shall be allowed no more than 90 days from the date of receipt of the Secretary's determination letter to submit a revised audit report which meets the standards required in OMB Circular A-133. If the recipient organization fails to submit an audit report revised in accordance with the determination letter, the Secretary of the Department may suspend further financial assistance payments to the recipient organization or subject the recipient organization to an audit or compliance review by the Department or the State Auditor.
- (i) The Department or any affected division of the Department may request any additional information deemed necessary for clarification of an audit finding, recommendation, questioned cost or the corrective action plan. The recipient organization shall provide the information to the requesting official within 30 days after the receipt of the request. If additional information or clarification from the independent auditor is requested, the recipient organization shall direct their auditor to provide the information requested to the requesting official.
- (j) If the Department has reason to believe that due professional care was not used in conducting the audit required under OMB Circular A-133, or if the recipient organization or their auditor is unwilling or unable to provide clarification or additional information requested by an official of the Department, the Controller of the Department may make or arrange for any review of the auditor's work papers deemed necessary for timely resolution of the audit findings, recommendations, or questioned cost.
- (k) The Secretary of the Department shall provide the recipient organization with a written determination which accepts or rejects the corrective action plan for each audit finding, recommendation or questioned cost that pertains to or otherwise affects a program of the Department. If the corrective action plan is rejected the reasons for the rejection and an acceptable corrective action shall be specified in the determination letter. If the corrective action plan indicates that the proposed corrective action for nonmonetary findings has not been implemented, the determination on all nonmonetary findings shall specify the time by which the local government or public authority shall implement the corrective action if different from the time proposed in the corrective action plan. The determination on all questioned cost or other charges to the Department shall state whether the cost or other charge is allowable or unallowable for reimbursement to the recipient organization under applicable laws, rules and other provisions of assistance agreements. If a cost or other charge to the Department is determined to be unallowable for reimbursement, the determination letter shall require full monetary repayment to the Department within 60 days of the date of the determination letter. The amount of any cost or other charge determined to be unallowable shall constitute a debt due the State of North Carolina until repayment in full is received by the Department.

- (l) A determination by the Secretary of the Department required under Paragraph(k) or Paragraph(h) of this Rule shall become final unless a petition for contested case is filed in accordance with G.S. 150B-23.
- (m) Upon a petition for contested case filed in accordance with G.S. 150B-23, monetary repayment or implementation of a corrective action required under Paragraph(k) of this Rule shall be suspended only for individual determinations or parts of a determination specifically disputed in the appeal. Interest may be charged under the conditions specified under Paragraph(n) of this Rule on the amount of any cost or other charge determined to be unallowable under Paragraph(k) of this Rule.
- (n) Except where otherwise provided by statutes or regulations, Federal agencies are required to charge interest on overdue amounts in accordance with the Federal Claims Collection Standards (4 CFR Ch. II). The date from which interest is computed is not extended by litigation or the filing of any form of appeal. If a Federal agency charges the Department interest on the Federal share of an overdue amount from a recipient organization, the Department shall charge the interest to the recipient organization.
- (o) If a recipient organization fails to make repayment of an amount due to the Department or obtain Department approval of a deferred payment plan by the "due date" specified in Paragraph(k) of this Rule the Department shall offset the amount of the disallowance or any portion thereof remaining unpaid and any interest due from subsequent reimbursements or other amounts due the recipient organization until the amount due is fully recovered.
- (p) A recipient organization may propose a plan for repayment of amounts determined to be unallowable on an installment basis. The recipient organization must certify that it is unable to make repayment by the "due date" specified in Paragraph(k) of this Rule and that commercial financing can not be obtained. Repayment of the Federal share of amounts determined to be unallowable shall not be allowed on an installment basis unless the Federal grantor agency approves of the installment plan or otherwise allows the Department the same installment repayment terms. Interest may be charged as specified under Paragraph(n) of this Rule while awaiting Federal approval of an installment plan or on installment payments.
- (q) If a recipient organization fails to submit the corrective action plan required under Paragraph(a) of this Rule or additional information requested under Paragraph(i) of this Rule or fails to implement corrective action within the time frame established by the Secretary under Paragraph(k) of this Rule, the Secretary of the Department or the Director of the requesting Division may suspend payment to the recipient organization of all or any portion of the administrative and indirect cost funding administered by the Department until such time as the required audit, corrective action plan or additional information is submitted as requested. Alternatively, the Secretary of the Department may issue a unilateral determination on the audit findings, recommendations, and questioned cost requiring any corrective action and repayment of questioned cost deemed necessary for compliance with the laws and rules governing assistance programs affected.

*History Note: Authority G.S. 143B-10(j); 143B-139.1;
Eff. January 1, 1990;
Amended Eff. August 1, 2000.*

**10A NCAC 01A .1003
PURCHASE OF SERVICE VS FINANCIAL ASSISTANCE**

(a) Non-profit and for profit agencies that receive State or Federal financial assistance either directly from DHHS as a recipient or indirectly as a subrecipient through contractual agreements with local agencies funded by DHHS shall have a compliance audit performed in accordance with OMB Circular A-133; however, Circular A-133 does not apply to purchases of goods/services (vendors).

(b) A recipient/subrecipient is distinguished from a vendor (purchase of service agreement) by the degree of responsibility assumed to meet the requirements of the program.

(c) In a financial assistance arrangement, the recipient/subrecipient receives the funding to carry out or administer a program. A recipient/subrecipient may be responsible for determining who is eligible for participation in a program by applying pre-determined eligibility requirements. A vendor who reserves the right to reject a participant based on a criteria other than eligibility, does not become a recipient by exercising that right. A recipient/subrecipient is responsible for making programmatic decisions and its performance is measured against meeting the program's objectives. Normally, but not always, there is an interest in how program funds are expended. Although recipient/subrecipient generally have cost reimbursement grants/contracts it is possible for them to have a fee/rate per unit of service arrangement.

(d) A vendor (purchase of services/goods) is measured against the terms of a contract. Goods must meet certain specifications and services are measured against certain quality standards. A vendor normally operates in a competitive environment and once a pre-determined unit price has been established in a contract, usually there is no interest in how the vendor expends funds in meeting the vendor's obligation under the terms of the contract.

(e) In distinguishing between a purchase of service and financial assistance arrangement, the substance of the relationship is more important than the form of the agreement.

(f) Reviewing a recipient/subrecipient's contractual requirements and answering the following questions shall give an indication of the type arrangement represented by the contract.

Indication of Financial and Purchase/Assistance Service

Yes	No
1. Does the contract provider determine client eligibility?	
2. Does the contract provider authorize services on a client specific basis?	
3. Does the contract provider determine the appropriateness of the services to be provided?	
4. Does the contract provider provide administrative functions, such as:	
a. Program evaluation?	
b. Program planning?	
c. Monitoring?	
d. Developing program standards, procedures, and rules?	

5. Does the contract provider have responsibility for program compliance?
6. Does the contract provider have to submit a cost report to satisfy a cost reimbursement arrangement?
7. Does the contract provider have any obligation to the funding authority other than the delivery of the specified goods/services?
No Yes
8. Does the contract provider operate in a competitive environment?
9. Does the contract provider provide similar goods or services too many different purchasers?
10. Does the contract provider provide the goods or services within normal business operations?

The list in this Rule is not intended to be all inclusive; however, the answers to the questions shall offer guidance in distinguishing between a purchase of service or financial assistance arrangement. There may be other factors that would influence the decision on whether a contract is classified as either financial assistance or purchase of service and the decision shall only be made after weighing all factors relative to the contract. All factors will not carry the same weight. As an illustration, if any of the answers to questions 1 through 5 are yes, the contract shall almost always be a financial assistance arrangement. However, regardless of the answers to the questions, they shall not contradict a determination/classification that has been/or may be made by the funding Federal authority.

The funding DHHS Division shall be available to assist, on a timely basis, its local counterparts in making the distinction in unique situations.

*History Note: Authority G.S. 143B-10(j)(2);
Eff. June 1, 1995;
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