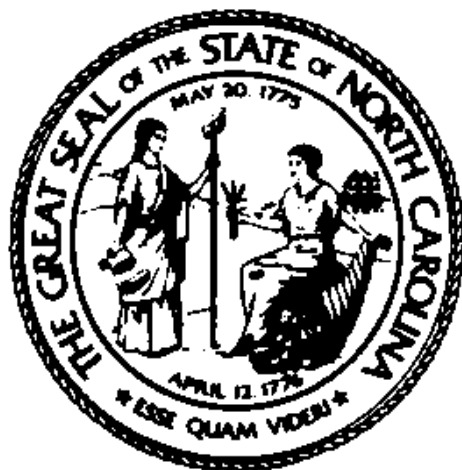


**NORTH CAROLINA DEPARTMENT OF
HEALTH AND HUMAN SERVICES
NORTH CAROLINA DIVISION OF SOCIAL SERVICES**



Subrecipient Monitoring Plan

State Fiscal Year 11-12

July 1, 2011-June 30, 2012

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Division of Social Services Program Subrecipient Matrix

Compliance Supplements can be found at:

<http://www.nctreasurer.com/DSTHome/StateAndLocalGov/AuditingAndReporting/SAHotLinks.htm>

Program Name in Monitoring System (Program Management Database Name, if different)	General Rqmts for Local Government Grantees Page Number	General Rqmts for Non Local Government Grantees Page Number	Program Specific Rqmts Page Number	Monitoring Tools Page Number	List all Applicable Compliance Supplement(s)
Social Service Block Grant for Children: CPS, Foster Care, Adoption, and Links	Section II p 1	Section III p 1-3	Section VIIA p, 154	Section VIIA p, 178	93.667-1 93-667-13
IV-E Foster Care	Section II p 1	Section III p 1-3	Section VIIA p, 155	Section VIIA p, 183	93-658
IV-E Adoption Assistance	Section II p 1	Section III p 1-3	Section VIIA p, 156	Section VIIA p, 191	93-659
Work First	Section II p 1	Section III p 1-3	Section VIIA p, 156 Section IV p,49-53	Section VIIA p, 195 Section IV p.	93.558
State Maternity Fund	Section II p 1	Section III p 1-3	Section VIIA p, 157	Section VIIA p 208,	93.645-1
At Risk Case Management	Section II p 1	Section III p 1-3	Section VIIA p, 209	Section VIIA p 212,	N/A
Child Support Enforcement	Section II p 1	Section III p 1-3	Section VI p, 105 Section IV p, 49-53	Section VI p 113-152 Section IV p.	93.563
Family Preservation and Support	Section II p 1	Section III p 1-3	Section VIIB p, 218	Section VIIB p, 226-238	DHHS-26
Family Violence Prevention	Section II p 1	Section III p 1-3	Section VIIB p,218	Section VIIB p, 226-238	93.671
TANF Domestic Violence	Section II p 1	Section III p 1	Section VIIB p, 218	Section VIIB p, 226-238	93.558
Community Based Child Abuse Prevention Program	Section II p 1	Section III p 1	Section VIIB p, 219	Section VIIB p, 226-238	93.590
Intensive Family Preservation Services (IFPS):	Section II p 1	Section III p 1	Section VIIB p, 219	Section VIIB p, 226-238	93.556
Family Support Program /FRC	Section II p 1	Section III p 1	Section VIIB p, 219	Section VIIB p, 226-238	93.556
Reunification Services	Section II p 1	Section III p 1-3	Section VIIB p, 220	Section VIIB p, 226-238	93.556
Adoption Promotion and Post Adoption Support	Section II p 1	Section III p 1-3	Section VIIB p, 220	Section VIIB p, 226-238	93.556
Food and Nutrition Services	Section II p 1	Section III p 1-3	Section V p 55 Section IV p, 49-53	Section V p 69 Section IV p.	10.561
Low Income Home Energy Assistance Program-	Section II p 1	Section III p 1-3	Section V p 55	Section V p 98	93.568-2 93.568-3
Refugee Assistance	Section II p 1	Section III p 1-3	Section V p 56	Section V p 100	93-566-2 93.566-3 93.584 93.576-5

NCDHHS DIVISION OF SOCIAL SERVICES SUBRECIPIENT MONITORING PLAN

SECTION I INTRODUCTION

Subrecipient Monitoring

The Federal Office of Management and Budget (OMB) Circular A-133 requires pass-through entities to monitor their subrecipients' use of federal funds. This is to ensure reasonable compliance with federal program laws and regulations and that provisions of contracts or grant agreements and performance goals are achieved. Pass-through entities must ensure that any subrecipients expending \$500,000 or more in federal grants or awards during a given fiscal year have a single or program-specific audit performed in accordance with Circular A-133. Therefore, contracts which are less than the \$500,000 threshold fall into the category of those which are subject to subrecipient monitoring. In addition, N.C. G.S. § 143-6.1 requires the category of financial assistance contracts funded with State dollars and other dollars that flow through the appropriation process to be monitored as subrecipients.

This document describes the protocol the North Carolina Division of Social Services (NCDSS) will utilize in carrying out its subrecipient monitoring responsibilities. This plan serves as the manual for implementing the Division's subrecipient monitoring policy. This plan is applicable to all units and individuals within NCDSS that have a role in subrecipient monitoring as identified in this plan.

Subrecipient monitoring is a continuous quality improvement strategy which is integrated into the monitoring responsibilities of NCDSS through a process which is as efficient and as seamless as possible. This document incorporates monitoring activities undertaken by the various sections and teams within the Division to the extent that those activities maintain the integrity of the monitoring requirements outlined in this plan. The Division's subrecipient monitoring activities are coordinated through the Lead Monitoring Coordinator in the County Operations Section of the Budget Office.

Background

The North Carolina Division of Social Services is dedicated to assisting and providing opportunities for individuals and families in need of basic support and services to become self sufficient and self reliant. The Division of Social Services advocates for and encourages individuals' rights to select actions appropriate to their needs.

Primary to the Division is our commitment to provide families and children with family centered services that strive to achieve well being through ensuring safety and permanency.

Furthermore, we recognize our responsibility through teamwork and professional effort to assist in this process. Towards this end, in cooperation with local departments of social services and other public entities, we seek to identify needs, devise and focus resources, and deliver services responsively and compassionately

In order to carry out its mandate to provide basic support to assist individuals to become self supportive and self reliant in a manner consistent with the rights, and responsibilities of all North Carolina citizens (G. S. § 108A-) NCDSS provides financial assistance funding to local county governments, non-profit agencies, universities, and other non-governmental entities utilizing federal grants and funds appropriated by the General Assembly of North Carolina. Those services provided on behalf of NCDSS are designed to enable individuals and families to become self supportive, self reliant and to achieve well being through ensuring safety and permanence.

This plan outlines how NCDSS, as a pass-through entity, will comply with its responsibilities under OMB Circular A-133 (Audits of States, Local Governments, and Non-Profit Organizations) and G.S. § 143-6.2 (Reports on Use of State Funds by Non-State Entities) to monitor the disbursement and use of federal and state dollars for the intended purpose according to the compliance requirements of each funding source and the stipulations of the contract or performance agreement with the subrecipient. These requirements are consistent with the expectations of federal agencies and states addressed in the Federal Financial Assistance Management Improvement Act.

PROGRAM AREAS AND SERVICES TO BE MONITORED

Area	Federal/State Compliance Number	Subrecipients to be monitored	SFY 2011-12 Projected Expenditures	Review Tool
Social Service Block Grant for Children: CPS, Foster Care, Adoption, and Links	93.667-1 93-667-13	Attachment 1	\$178,049,717.00	Attachment A and B
IV-E Foster Care	93-658	Attachment 1	\$152,717,324.00	Attachment C
IV-E Adoption Assistance	93-659	Attachment 1	\$1138,522,454.00	Attachment D
Work First	93.558	Attachment 1	207,996,190.00	Attachment E
State Maternity Fund	93.645-1	Attachment 1	\$1,258,008.00	Attachment F
At Risk Case Management	N/A	Attachment 1	8,000,000.00	Attachment ARCM A
Child Support	93.563	Section I Attach B	Title IV-D \$113,953,452.00	Attach A,B and C, Section V
Family Violence Prevention	93.671	Attachment A	Federal : \$2,376,816.00	Attachment C
Food and Nutrition Services	10.561	Page 9	Food and Nutrition Services Administration \$1,106,784,344.00	Attachments A, B and C
Low Income Home Energy Assistance Program-LIEAP	93.568-2	Page 11	LIHEAP Block Grant \$11,862,617	Attachment D
Low Income Home Energy Assistance Program-CIP	93.568-3	Page 11	LIHEAP Block Grant \$53,301,900	Attachment D
Refugee Assistance	93.566-2	County applies as needed when eligible Page 13	US Department of Health and Human Services' Office of Refugee Resettlement \$4,420,692.00	Attachment E
Children's Trust Fund	N/A	Attachment A	CTF-\$393,080.00	Attachment C
Community-Based Child Abuse Prevention	93.590	Attachment A	CBCAP- \$1,236,723.00	Attachment C
Intensive Family Preservation Services (IFPS):	93.556	Attachment A	IV-B2- \$2,483,987.00	Attachment C
Family Support Program /FRC	93.556	Attachment A	IV-B2- \$2,713,650.00	Attachment C
Reunification Services	93.556	Attachment A	IV-B2- \$2,483,987.00	Attachment C
Adoption Promotion and Post Adoption Support	93.556	Attachment A	IV-B2- \$2,483,987.00	Attachment C
Children's Advocacy Centers	N/A	Attachment A	SSBG- \$375,000.00	Attachment C

ROLES AND RESPONSIBILITIES

The Lead Monitoring Coordinator has been assigned the lead responsibility for coordinating and overseeing subrecipient monitoring activities within NCDSS. The Budget Office is responsible for ensuring overall fiscal integrity within the Division. In order to maintain objectivity in carrying out its responsibilities, the duties of the Lead Monitoring Coordinator are distinctly separate from other NCDSS staff that have direct responsibility for program and fiscal management, program development, technical assistance, or any other functions directly related to program administration.

It is the intention of this Subrecipient Monitoring Plan insofar as possible to identify current NCDSS activities which constitute compliance with Subrecipient Monitoring requirements and to include them in the Subrecipient Monitoring Plan without adding additional tasks assignments or additional layers of administrative reporting and review. Wherever possible, new activities developed to meet Federal and State requirements for subrecipient monitoring are undertaken by the Lead Monitoring Coordinator as the designated position for assuring compliance with Subrecipient Monitoring requirements. Where a review of NCDSS tasks and assignments suggest points at which Subrecipient Monitoring requirements could be strengthened, every effort is made to integrate reinforced compliance requirements without being burdensome to current staff assignments. At the same time, the subrecipient monitoring process recognizes the importance that NCDSS shall be able to assure with confidence any inquiry by Federal, State or NCDSS stakeholders that appropriate oversight of the use of federal or state funds is in place.

The role of subrecipient monitoring is to provide an objective process for assurance of compliance with the requirements of subrecipient monitoring per OMB Circular A-133 and the DHHS Subrecipient Monitoring protocols. It is the role of subrecipient monitoring to assure that all programs/contracts which are determined to require subrecipient monitoring are meeting the requirements set within the applicable compliance supplements or contracts.

DUTIES OF LEAD MONITORING COORDINATOR

The *Lead Monitoring Coordinator* is responsible for providing reasonable assurance to the Executive Management Team (EMT) of NCDSS and, by virtue of its assignment of the responsibility, to the Department that a subrecipient is in compliance with the state and federal requirements according to the specifications of the type financial assistance received. This includes making a determination as to whether there is sufficient internal control over financial management and accounting systems to account for program funds in accordance with state and federal requirements. Specifically, the *Lead Monitoring Coordinator* is responsible for:

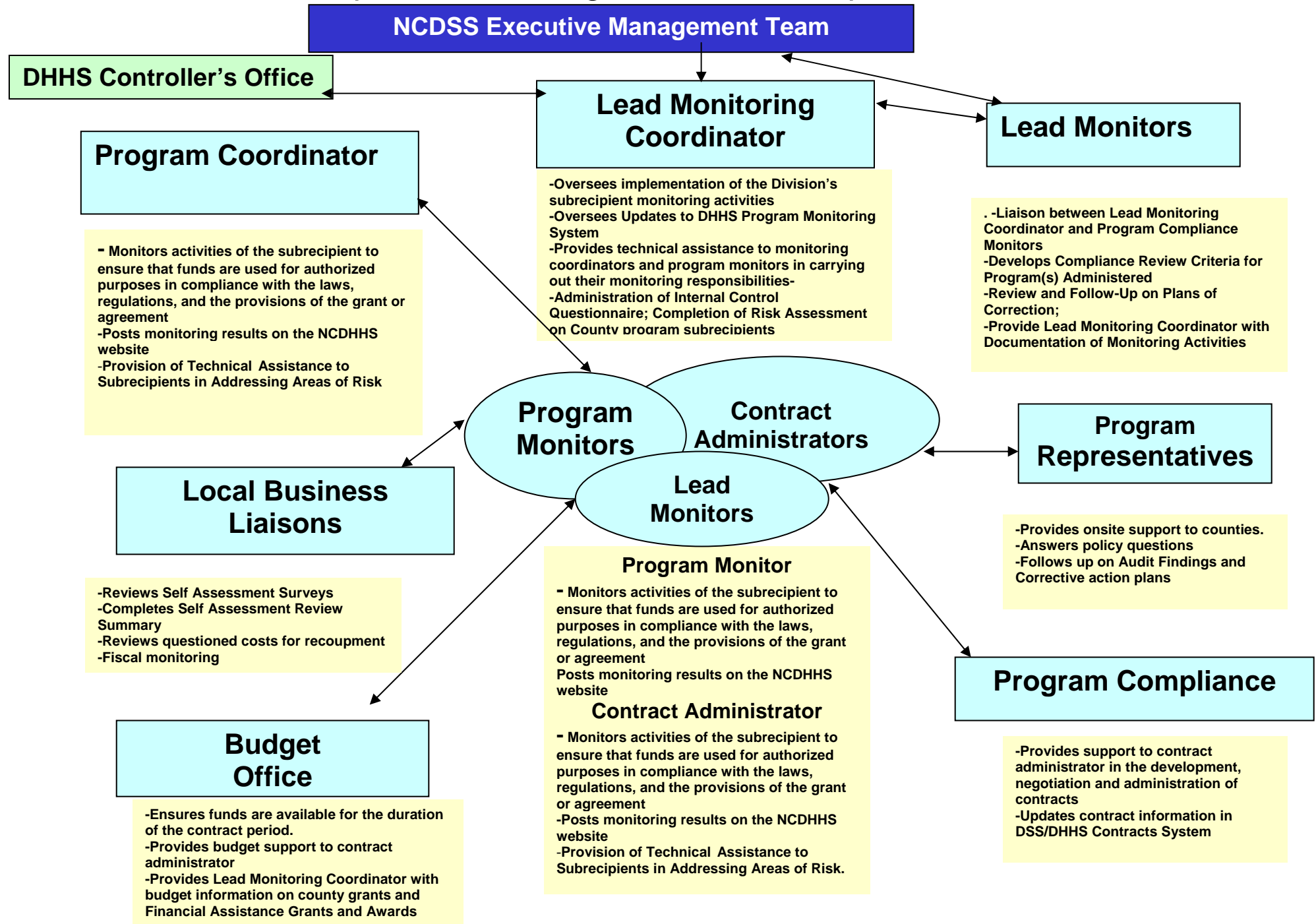
1. Developing, implementing, and updating the Division's subrecipient monitoring plan.
2. Disseminating single audit findings to all sections and monitors.
3. Identifying what components need to be monitored according to the applicable compliance requirements.
4. Identifying NCDSS team roles and responsibilities for monitoring.
5. Developing and designing appropriate monitoring tools, instruments, protocols and worksheets in collaboration with the Lead Monitors, and other DHHS Subrecipient Monitoring Coordinators.

6. Providing training to the contract managers, program compliance representatives, program coordinator on the methods and strategies for program and fiscal monitoring, including on-site monitoring and the reporting requirements of monitors.
7. Reviewing the progress of monitoring activities to assure that they are being carried out consistent with the plan.
8. Providing ongoing feedback and support to program compliance Reps in carrying out their responsibilities.
9. Maintaining and updating a current list of DSS staff performing ongoing monitoring activities carried out within the Division.
10. Maintaining a listing of locations where the source documents for specific monitoring activities are maintained.
11. Evaluating the impact of subrecipient activities on NCDSS' ability to comply with applicable Federal and State requirements and communicating any concerns to management.

Implementation of the NCDSS Subrecipient Monitoring Plan involves the participation of most sections within NCDSS.

Following is chart detailing an overview of the responsibilities of the various sections within NCDSS for carrying out the activities associated with subrecipient monitoring:

Subrecipient Monitoring Tasks and Responsibilities



NCDCSS STAFF PERFORMING SUBRECIPIENT MONITORING AND RELATED SUPPORT ACTIVITIES ARE IDENTIFIED BELOW:

NCDCSS Monitoring Staff-SFY 11-12	
Lead Monitoring Coordinators	
Staff Person	Area of Responsibility
James Clark	Family Services Child Welfare Services Work First Child Support Enforcement
Dean Simpson, Johnice Tabron	Economic Services
Lead Monitors	
Daisy Blue	Child Support Enforcement
Dean Simpson, David Locklear	Food And Nutrition Services
Johnice Taborn	Work First
Kevin Kelley, Carla McNeill	Family Support/Child Welfare Services
Kristin O'Connor	Community Based Programs
Contract Administrators	
Eric Zechman	State Access and Visitation
Gloria Stallworth	Family Violence Prevention
Phyllis Fulton	Children's Advocacy Centers
Christina Disalvo	CBCAP, Children's Trust Fund and Promoting Safe and Stable Families
Michelle Reines Kathy Dobbs	Promoting Safe and Stable Families Child Protective Services-CPS/Child Welfare Collaborative
Program Coordinators	
Amelia Lance	Adoption/Special Children's Adoption Fund
Tina Bumgarner	State Maternity Fund
Program Compliance Monitors	
Staff Person	Area of Responsibility
Bernard Norfleet	SSBG for Children-Adoption, Child Protective Services CPS, Foster Care Services, Foster Care Services/NC LINKS, At Risk Case Management
Gloria Duncan & Vacant	SSBG for Children-Adoption, Child Protective Services CPS, Foster Care Services, Foster Care Services/NC LINKS, At Risk Case Management
Vacant	Work First
Denise Knight	Work First
Gail Andersen	Refugee Assistance
Vacant	Food and Nutrition Services, Low Income Energy Assistance, Food and Nutrition Education Training

Staff Person	Area of Responsibility
Gerald Hinson	Food and Nutrition Services, Low Income Energy Assistance, Food and Nutrition Education Training
Kathy Evans	Food and Nutrition Services/Employment and Training
Vacant	Food and Nutrition Services/Employment and Training
Parena Fonville	Child Support Enforcement
	Child Support Enforcement
Kenya Newsome	Child Support Enforcement
	Child Support Enforcement
Staff Person	Area of Responsibility
Sally McDonald	Child Support Enforcement
Carole Allen	Child Support Enforcement
Alice McCoy	Child Support Enforcement
Vacant	Child Support Enforcement
Judy Jedrey	Child Support Enforcement
Vacant	Child Support Enforcement
	Child Support Enforcement
Support Staff	
Pam Johnson	Family Services/Child Welfare Services Work First, NC LINKS
Carol Ray	Child Support Enforcement
Budget Office	
Kathy Sommese	NCDSS Budget Officer
Kathy Sommese	Compliance Supplements
James Clark	Coordinates Division Response to Single Audit Findings
Program Compliance	
Carlotta Dixon	Program Management Data Base
Carlotta Dixon	Division Contracts Administrator
Local Business Liaisons	
Pat Adcock	-Self Assessment of Internal Controls Survey for county grant subrecipients. -Recoupment of Questioned costs
Vacant	See Above
Dana Sisk	See Above
Vacant	See Above
Judy Hopkins	See Above
Maggie Holley	See Above
Vacant	See Above
Phil Lassiter	See Above

-Program Compliance-As a function of its ongoing responsibilities, the program Compliance section reviews and approves all contracts, provide daily technical assistance, enter financial information into NCAS, update the DSS and DHHS Contracts databases, assist in drafting contracts to ensure appropriate levels of performance expectations, sort and forward contracts to the appropriate places for review, approval and signature, etc.

The Division's contract administrators are responsible for working with the vendor to develop the contracts, monitoring the contracts, receiving any reports or deliverables, reviewing and approving invoices/expenditure reports, getting them to the Controller's Office, etc.

The NC DSS Budget Office is responsible for calculating budget projections for all programs/services in the Program Management Database.

The Lead Monitor is the Liaison between Lead Monitoring Coordinator and Program Compliance Monitors

- Develops Compliance Review Criteria for Program(s) Administered
- Review and Follow-Up on Plans of Correction;
- Provide Lead Monitoring Coordinator with Documentation of Monitoring Activities

Program Compliance Monitor

- Monitor activities of the subrecipient to ensure that funds are used for authorized purposes in compliance with the laws, regulations, and the provisions of the grant or agreement
- Monitoring results are tracked by the Division of Social Services Sections.

Program Administrator/Contract Administrator/Program Representatives

- Monitor activities of the subrecipient to ensure that funds are used for authorized purposes in compliance with the laws, regulations, and the provisions of the grant or agreement
- Monitoring results are tracked by the Division of Social Services Sections.
- Provide Technical Assistance to Subrecipients in Addressing Areas of Risk

Local Business Liaison

- Review Self Assessment Surveys
- Complete Self Assessment Review Summary
- Review questioned costs for recoupment
- Fiscal monitoring

DESCRIPTION OF SUBRECIPIENTS AND THE PROGRAMS/SERVICES FUNDED

NCDSS receives funds from several federal and state programs and, in turn, issue funding authorizations to 100 county governments and also contracts with a number of public, non-profit, for profit, and private agencies and organizations. These agencies provide a variety of services for NCDSS ranging from direct services and support to advocacy and training. Financial assistance awards support such activities as crisis/emergency services and services to specific target populations. These services are funded by a variety of federal grants and state appropriations. The Social Services Block Grant, Temporary Assistance to Needy Families,

Food Stamp Administration is the major sources of funding for NCDSS services. Program subrecipient data has been loaded into the DHHS Program Monitoring System for financial assistance contracts and for the 100 counties which receive funding for financial assistance programs from NCDSS. The spreadsheet in Attachment C provides an overview of the different funding sources for NCDSS financial assistance contracts. Attachment C gives an overview of the state and federal programs of which NCDSS is the pass-through entity including the amount of funding from each source.

CORE AREAS TO BE MONITORED*

The OMB Circular A-133 specifies fourteen (14) areas of compliance monitoring. North Carolina has an additional requirement that requires policies prohibiting conflict of interest be reviewed for non-profit subrecipients. Depending on the program and type of funding, all 14 core areas may **not** be applicable to the funding source.

The core areas of compliance monitoring involve fiscal monitoring (i.e., review of financial statements and audit findings and internal controls) and program monitoring (i.e., determination of whether the eligibility criteria were met or review of the scope of work to see if the objectives of the contract have been met). Following is a brief description of each of the core areas:*

CC: Crosscutting Requirements: These are supplements written by state agencies to detail in one location the common compliance requirements that span across several programs.

A/1: Activities Allowed or Unallowed: This requirement refers to specific activities identified in the grant agreement, contract, allocation, letters, policy manuals and state or federal regulations that are allowed or that may be unallowed. The purpose of this requirement is to provide reasonable assurance that State and Federal funds are used for the intended purposes.

B/2: Allowable Costs/Cost Principles: This requirement seeks to assure that the costs paid to the contractor are reasonable and necessary for the operation and administration of the program and that the subrecipient uses an acceptable method of allocating costs, including indirect costs.

C/3: Cash Management: This requirement is only applicable if the contractor receives an advance of funds from NCDSS of more than 60 days from when the funds would ordinarily be disbursed. In accordance with the DHHS Cash Management Policy, the Controller's Office is responsible for reviewing the cash needs of subrecipients that receive advances every three months to determine whether or not the advance represents more than a 60-day cash requirement.

D: Davis-Bacon Act: *This requirement is not applicable to DHHS subrecipients.* It is a federal law that applies to contractors with contracts for more than \$2,000 financed by federal dollars where laborers and mechanics are employed.

E/5: Eligibility: This requirement ensures that only those individuals and organizations that meet the eligibility requirements for receiving services or financial assistance from the program participate in the program. The eligibility requirement for an individual diagnosis, risk factors, medical necessity criteria, income, etc. Similarly, an organization may qualify to participate in a

program based on the extent to which the type of program and the mission of the organization are consistent with the requirements of the funding source.

F/6: Equipment and Real Property Management: This requirement refers to tangible property that has a useful life of more than one year and costs more than \$5,000. Such equipment may only be purchased per the conditions of the approved contract or grant agreement.

G/7: Matching, Level of Effort, Earmarking: These requirements are specifically addressed in the grant documents, allocation letters, contracts and state or federal regulations.

- *Matching* refers to the specific amount or percentage of funds the subrecipient is required to match the state or federal grant. The matching portion must be verifiable in the accounting records, incurred during the period of the award, must not be used to meet the match of another program, allowable under cost principles and derived from non-federal or non-state funds unless specifically authorized.
- *Level of Effort* refers to the specific level of service that must be provided (e.g., the number of clients the subrecipient must serve) or a specified level of service (e.g., maintenance of effort) or the requirement that federal or state funds may only be used to supplement the non-state or non-federal funding of the service.
- *Earmarking* refers to the requirement that an amount or percentage of a program's funding must be used for specific activities.

H/8: Period of Availability of Federal Funds: This requirement refers to the time period authorized for state and federal funds to be expended. State funds are authorized for the fiscal year (July 1 – June 30); however, NCDSS may allow a subrecipient to carry forward unexpended funds into the next fiscal year. Most federal funds allow additional time after the end of the grant period for obligations incurred during the grant period to be paid.

I/9: Procurement and Suspension and Debarment: This requirement assures that the subrecipient follows the state and federal policies and procedures for procurement, that the subrecipient has not been suspended or disbarred from receiving funding from the state or federal government, and that the subrecipient does not use federal funds to purchase goods or services costing more than \$100,000 from a vendor that has been disbarred by the federal or state government..

J/10: Program Income: The purpose of this requirement is to assure that program income is being used appropriately. This requirement refers to the gross income received by the subrecipient on activities, services or goods purchased with state or federal funds. Program income may be used to provide matching funds when approved by the state or federal agency.

K/11: Real Property Acquisition and Relocation Assistance: *This requirement does not apply to DHHS.*

L/12: Reporting: Contract administrators are required to monitor the financial, performance and special reporting of the subrecipient in order to provide assurance that funds are being managed efficiently and effectively to accomplish the objectives of the program as specified in the compliance supplement, applicable laws and regulations, and contract or grant agreements.

M/13: Subrecipient Monitoring: Program Monitors/Contract administrators /Program coordinators are required to provide assurance that any NCDSS subrecipient that subcontracts with another agency monitors the agency with which the subrecipient subcontracts as specified in the compliance supplement for the funding source.

N/14: Special Tests and Provisions: Program Monitors/Contract administrators/Program coordinators must provide assurance that all special requirements found in the laws, regulations, or the provisions of the contract or grant agreement are monitored appropriately. Such special tests and provisions may relate to fiscal and/or programmatic requirements or may include actions that were agreed to as part of the audit resolution of prior audit findings or in corrective action plans identified as a result of monitoring reviews.

15: Conflict of Interest: This requirement applies to any private, non-profit entity eligible to receive state funds, either by General Assembly appropriation, or by grant, loan or other allocation from a State agency (S.L. 1993-321, Section 16 of the Appropriations Act). An agency official is required to sign a notarized copy of the policy before a contract is executed. Copies of the organization's attestation to the Conflict of Interest Policy is kept by the Program Compliance section in the organization's file. The Division's Conflict of Interest Policy for Private Not-for Profit Agencies can be found at <http://www.ncdhhs.gov/dss/budget/forms.htm>

The applicable compliance requirements for a funding source are outlined in the compliance supplement for the specific federal or state program. In cases where a program is funded by multiple funding sources, the funding source with the most stringent requirements would be the criteria used to monitor the program. The compliance supplement identifies those core areas which at a minimum must be monitored. Monitors are not precluded from looking at additional areas as long as the minimum core areas are also examined. (See Attachment B for an overview of compliance requirements for each program for which NCDSS is the pass-through entity). Monitoring the compliance requirements helps to fulfill part of the intent of the Federal Financial Assistance Management Improvement Act of 1999 (i.e., to improve the effectiveness and performance of federal financial assistance programs).

**Note: With the exception of the Davis-Bacon Act (D) the Conflict of Interest (15) and No Overdue Taxes requirement, the federal and state requirements are the same. The alphabetic code denotes how the federal requirement is referenced. The numeric code is the corresponding state code for that core area.*

TIMELINE FOR COMPLETION OF SY 11-12 SUBRECIPIENT MONITORING ACTIVITIES

Dates	Activity	Responsible Staff
July 1, 2011-August 15, 2011	Entering Monitoring Reports in Monitoring System	Program compliance monitors, Program Coordinators, Contract Administrators
April 10, 2012-June 30, 2012	Revising/Updating Monitoring plans	Kevin Kelley, Carla McNeill ,Dean Simpson, David Locklear, Michele Tart, Kristine O’Conner , James Clark
May 15, 2012-August 15, 2012	Summary of all Monitoring results compiled and sent to all counties	James Clark
May 2012	DHHS Monitoring Database Training	James Clark, Don McLamb
June 2012	Subrecipient Monitor Training	James Clark
June-July 2012	Updating Monitoring Plan on Division’s Monitoring Website	James Clark, Pam Johnson
July, 1, 2011-May 15, 2012	Completing Subrecipient Monitoring/	Program compliance monitors, Program Coordinators, Contract Administrators
June 30, 2012-August 15, 2012	Enter Year-End Reports in Monitoring System	Program Compliance monitors, Program Coordinators, Contract Administrators

REFERENCES:

Executive Order 12689 – Debarment and Suspension, 54 Federal Register 34131, August 18, 1989.

Federal Financial Assistance Management Improvement Act of 1999, Public Law 106-107, January 20, 1999.

§ NC General Statutes Chapter 143 Article 1 – Executive Budget Act, Section 6.2 Report on Use of State Funds by Non-State Entities.

NC DHHS Contract System

NC DHHS Division of f Social Services, Plan for Monitoring Subrecipients, Revised December 2006

NC DHHS Policy and Procedure Manual, Chapter IV: General Administration, “Monitoring of Programs,” Effective Date: July 1, 2000; Revised, August 1, 2002.

NC DHHS Subrecipient Monitoring Manual: A Guide to Assist Divisions in Developing Monitoring Plans, Office of the Controller, December 1, 2002.

NC NCDSS Contracts Manual.

NC Department of State Treasurer, 2006 State Compliance Supplement, April 2006.

NC General Assembly, 1993 Session Law, Chapter 321 (Senate Bill 27), Section 16 of the Appropriations Act: State Money Recipients/Conflict of Interest Policy.

Office of Management and Budget Circular A-133, Audits of States, Local Governments and Nonprofit Organizations.

MONITORING PLAN REQUIREMENTS

Each Section shall develop and maintain a monitoring plan for all financial assistance subrecipients in accordance with DHHS Policy. This plan shall be the basis for monitoring program and fiscal compliance with State and Federal requirements. The primary objective of the monitoring plan(s) is to ensure that subrecipients are complying with applicable rules and regulations and that the program(s) are accomplishing their intended purpose(s). At a minimum each plan shall include:

1. A list and description of all subrecipients to be monitored (this includes programs funded with state, federal, and/or private dollars).
2. Identification of the type of subrecipients (not-for-profit, governmental organization, public authority, for-profit) and the type and amount of funding (segregated between Federal, State and other funding wherever possible).
3. Identification of specific monitoring activities to be performed, including review of: contracts, internal controls on the disbursement of funds, (review of Self Assessment Summary) and eligibility of subrecipients, financial and programmatic reports, single audit findings, limited audit engagements.
4. The criteria to be used to complete an assessment of the risk of the subrecipients' ability to meet the objectives of the program and to comply with the program rules and regulations, and meet the financial management requirements. These criteria may include the size of the award, the complexity of the program, prior experience with the Subrecipient, the cost-effectiveness of monitoring evaluations, past experience with paybacks, multiple funding sources, commingling of funds, and changes in management.
5. Procedures consistent with the assessment of risk for each subrecipient. These procedures may include: increasing/decreasing the frequency of review, expanding the sample for review, conducting desk audits, etc. Procedures must include written notification informing subrecipients of the results of the monitoring.
6. Process for reviewing previously identified deficiencies to determine if corrective action was taken.
7. Regular review of and input into the DHHS monitoring website to determine whether previous issues have been resolved, that data is current, and for coordination of on-site monitoring visits.
8. Specific procedures that will address relevant compliance requirements for each type of funding. The following requirements have been identified in the compliance supplements (See Attachment B for further clarification):

- A. Activities Allowed or Unallowed;
 - B. Allowable Cost/Cost Principles;
 - C. Cash Management;
 - D. Davis-Bacon Act;
 - E. Eligibility;
 - F. Equipment and Real Property Management;
 - G. Matching, Level of Effort, Earmarking;
 - H. Period of Availability of Federal Funds;
 - I. Procurement, and Suspension and Debarment;
 - J. Program Income;
 - K. Real Property Acquisition and Relation Assistance;
 - L. Reporting;
 - M. Subrecipient Monitoring; and
 - N. Special Tests and Provisions.
9. Process for assessing Conflict of Interest policies.
10. Designated staff responsible for required monitoring activities, designated staff responsible for maintaining monitoring documentation, designated staff responsible for updating DHHS Monitoring Database and designated staff responsible for follow-up procedures.

LIST OF 100 COUNTY DEPARTMENT OF SOCIAL SERVICES BY COUNTY LEVEL

COUNTY LEVEL I

Alexander	Gates	Pamlico
Alleghany	Graham	Pasquotank
Anson	Granville	Pender
Ashe	Greene	Perquimans
Avery	Hertford	Person
Bertie	Hoke	Polk
Bladen	Hyde	Richmond
Camden	Jackson	Stanly
Caswell	Jones	Stokes
Chatham	Lee	Swain
Cherokee	Macon	Transylvania
Chowan	Madison	Tyrrell
Clay	Martin	Warren
Currituck	McDowell	Washington
Dare	Mitchell	Watauga
Davie	Montgomery	Yadkin
Franklin	Northhampton	Yancey

COUNTY LEVEL II

Alamance	Halifax	Randolph
Beaufort	Harnett	Robeson
Brunswick	Haywood	Rockingham
Burke	Henderson	Rowan
Cabarrus	Iredell	Rutherford
Caldwell	Johnston	Sampson
Carteret	Lenoir	Scotland
Cleveland	Lincoln	Surry
Columbus	Moore	Union
Craven	Nash	Vance
Davidson	Onslow	Wayne
Duplin	Orange	Wilkes
Edgecombe	Pitt	Wilson

COUNTY LEVEL III

Buncombe	Durham	Guilford
Catawba	Forsyth	Mecklenburg
Cumberland	Gaston	New Hanover
	Wake	

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DIVISION OF SOCIAL SERVICES
Subrecipient Self-Assessment of Internal Controls and Risks

Subrecipient Name XXXX County Department of Social Services Date Prepared
MM/DD/YYYY

Answer "Yes" if activity in question is performed by another county agency, i.e., County Finance office or the County Manager's office. Each "No" answer indicates a potential weakness of internal fiscal controls. All "No" answers require an explanation of mitigating controls or a note of planned changes.

I. CONTROL ENVIRONMENT

A. Management's Philosophy and Operating Style

Yes N/A No

1. Are periodic (monthly, quarterly) reports on the status of actual to budgeted performance prepared and reviewed by top management?
.....

2. Are unusual variances between budgeted revenues and expenditures and actual expenditures and revenues examined?
.....

3. Is the internal control structure supervised and reviewed by management to determine if it is operating as intended?
.....

B. Organizational Structure

4. Is there a current organizational chart defining the lines of responsibility?
.....

5. Has all management staff been sufficiently trained to perform their assigned duties?
.....

C. Assignment of Authority and Responsibility

6. Are sufficient training opportunities to improve competency and update employees on Program, Fiscal and Personnel policies and procedures available?
.....

7. Have managers been provided with clear goals and direction from the governing body or top management?
.....

Yes N/A No

8. Is program information issued by the Division of Social Services and other State and Federal agencies distributed to appropriate staff?
.....

D. Compliance with Applicable Civil Rights Laws

9. Are program staff aware of requirements to comply with civil rights laws including Civil Rights Act of 1964, and the Americans with Disabilities Act?

(Dear Director Letter FAEP-14-2004, Civil Rights Assurances; Dear Director Letter PM-PC-03 NC Title VI County Compliance Officers Workshop dated 9/22/06)

10. Is annual training provided to appropriate staff to review civil rights laws and expectations for providing benefits and services in a nondiscriminatory manner?
.....

(Dear Director Letter FAEP-14-2004, Civil Rights Assurances; FNS Certification Manual Section 120.02 B)

11. Are required civil rights posters prominently displayed in the lobby/reception area(s) of the agency?
.....

(FNS Certification Manual Section 120.02 C; Dear Director Letter PM-PC-03)

12. Are persons with Limited English Proficiency (LEP) provided the opportunity to obtain information from the agency both in person and by telephone?

(Dear Director Letter PM-PC-02-2008)

13. Does the agency have adequate staff and/or contracts in place to provide language interpretation to LEP customers when the need is identified?

(Dear Director Letter PM-PC-02-2008)

14. Does the agency have measures in place to communicate effectively with deaf or hard of hearing customers? (These may include sign language interpreters, access to a TTY machine or NC Relay telephone connectivity.)

(Dear Director Letter PM-PC-02-008)

15. Does the agency have in place a Limited English Proficiency Plan?

(Dear Director Letter PM-PC-02-008)

16. Does the agency have the required non-discrimination statement on each locally developed form intended for and used by customers?

.....
(Dear Director Letter PM-PC-01-2007)

II. HUMAN RESOURCES

A. Control Activities / Information and Communication:

Yes N/A No

1. Are personnel policies in writing? (Can be agency, county or state)

.....

2. Are personnel files maintained for all employees?

.....

3. Are payroll costs accurately charged to federal and state grants using time spent in each program?

.....

4. Are accurate, up-to-date-position descriptions available?

.....

5. Do all supervisors and managers have at least a working knowledge of personnel policies and procedures?

.....

6. Does each supervisor and manager have a copy or access to a copy of personnel policies and procedures?

.....

7. Does management ensure compliance with the agency's personnel policies and procedures manual concerning hiring, training, promoting, and compensating employees?

.....

8. Are the following duties generally performed by different people?
 a. Processing personnel action forms and processing payrolls?
 b. Supervising and timekeeping, payroll processing, disbursing, and making general ledger entries?
 c. Personnel and:
 1) Approving time reports?
 2) Payroll preparation?
 d. Recording the payroll in the general ledger and the payroll processing function?

Comments: (8a-d)

Attachment D

9. Is access to payroll/personnel files limited to authorized individuals?
.....

10. Are procedures in place to ensure that all keys, equipment, credit cards, cell phones, pagers, etc. are returned by the terminating employee?
.....

Yes N/A No

11. Is information on employment applications verified and are references contacted?

III. ACCOUNTS PAYABLE

A. Control Activities / Information and Communication:

Yes N/A No

1. Has the agency established procedures to ensure that all voided checks are properly accounted for and effectively canceled?
.....

2. Do invoice-processing procedures provide for:
 a. Obtaining copies of requisitions, purchase orders and receiving reports?
 b. Comparison of invoice quantities, prices, and terms with those indicated on the purchase order?
 c. Comparison of invoice quantities with those indicated on the receiving reports?
 d. As appropriate, checking accuracy of calculations?
 e. Alteration/mutilation of extra copies of invoices to prevent duplicate payments?
 f. All file copies of invoices are stamped paid to prevent duplicate payments?

Comments: (2a-f)

3. Are payments made only on the basis of original invoices and to suppliers identified on supporting documentation?

4. Is the accounting and purchasing departments promptly notified of returned purchases, and are such purchases correlated with vendor credit memos?

5. Are monthly reconciliation's performed on the following:
 a. All petty cash accounts?
 b. All bank accounts? i.e. .Trust Accounts, GA accounts etc.

Comments: (5a-b)

Yes N/A No

6. Are the following duties generally performed by different people?

Attachment D

- a. Requisitioning, purchasing, and receiving functions and the invoice processing, accounts payable, and general ledger functions?
- b. Purchasing, requisitioning and receiving?
- c. Invoice processing and making entries to the general ledger?
- d. Preparation of cash disbursements, approval of them, and making entries to the general ledger?
- e. Making detail cash disbursement entries and entries to the general ledger?

Comments: (6a-e)

- 7. Is check signing limited to only authorized personnel?
.....
- 8. Are disbursements approved for payment only by properly designated officials?
.....
- 9. Is the individual responsible for approval or check signing furnished with invoices and supporting data to be reviewed prior to approval or check-signing?
.....
- 10. Are unused checks adequately controlled and safeguarded?
.....
- 11. Is it prohibited to sign blank checks in advance?
.....
- 12. Is it prohibited to make checks out to the order of "cash"?
.....
- 13. If facsimile signatures are used, are the signature plates adequately controlled and separated physically from blank checks?
.....
- 14. Are purchase orders prenumbered and issued in sequence?
.....
- 15. Are changes to contracts or purchase orders subject to the same controls and approvals as the original agreement?
.....
- 16. Are all records, checks and supporting documents retained according to the applicable (state or federal) record retention policy?
.....

IV. COMPLIANCE SUPPLEMENT ELEMENTS

A/1: ACTIVITIES ALLOWED OR UNALLOWED

Each federal and State program has specific activities that are allowed or that may be unallowed. An example of a common unallowable activity under State or federal

Attachment D

programs would be payments for lobbying activities designed to influence State or federal legislation. Activities allowed or unallowed from each funding source are identified in grant documents, allocation letters, contracts and State and federal legislation.

Control Activities / Information and Communication:

Yes N/A No

1. Before expenditures are made, does someone check that funds used for that service are allowable?
.....

2. Are expenditure/ reimbursement reports reviewed to ensure adherence to funding limits?
.....

B/2: ALLOWABLE COSTS/COST PRINCIPLES

All costs charged to State or federal funds must be reasonable and necessary for the operation and administration of the programs for which funding is received. Some funding sources limit the amount of funding available for administration.

Control Activities / Information and Communication:

Yes N/A No

1. Does the agency have an approved indirect cost plan to allocate cost between federal programs or between federal and state programs?
.....

2. Has the approved plan been submitted to the Controller's office?
.....

3. Are systems or other means established to prevent overpayments or payments to unauthorized subrecipients or individuals?

4. Are contract payments reconciled to the general ledger monthly?
.....

5. Are payments to subrecipients required to be supported by a properly authorized request for reimbursement or request for an advance from the subrecipient?
.....

6. Are expenditures to state or federal programs reviewed and approved by a person with approval authority?
.....

7. Are personnel responsible for coding expenditures to state or federal programs properly trained to determine expenditures which are allowable and allocable to the federal programs?

-
8. Is the method of allocating cost understood by persons responsible for coding expenditures to state or federal programs?
-
9. Are comparisons made between prior year allowable services and current year allowable services?
.....

C/3: CASH MANAGEMENT

Control Activities / Information and Communication:

Yes N/A No

- 1. Are requests for reimbursements (1571's) based on actual cash basis?
.....
- 2. Are reimbursements to subrecipients/contractors of agency compared to contracts or agreements periodically?
.....

Yes N/A No

- 3. Are reimbursements to sub recipients/contractors of the agency deferred until after the related expenditure is incurred?
.....
- 4. Are the following duties generally performed by different people?
a. Preparing the Request for Reimbursement (1571)?
.....
- b. Reviewing and approving the Request for Reimbursement (1571)?
.....

D: DAVIS-BACON ACT:

This requirement is not applicable to DHHS subrecipients

E/5: ELIGIBILITY

Control Activities / Information and Communication:

Yes N/A No

- 1. Is there an up to date manual available to staff performing eligibility functions?
.....
- 2. Are staff performing eligibility functions adequately trained?
.....

3. Are client records periodically updated and reviewed to determine continued eligibility?
.....

F/6: EQUIPMENT AND REAL PROPERTY MANAGEMENT

Control Activities / Information and Communication:

Yes N/A No

1. Are fixed asset records maintained that adequately classify and identify individual items, as well as detailing their location?
.....

2. If there are any missing assets, is a missing asset form completed?
.....

3. Does the individual responsible for fixed assets perform the following:
 a. Attach fixed asset tags?
 b. Track when assets are received?
 c. Track when assets are donated?
 d. Track when asset location changes are made?
 e. Track when assets are sold?
 f. Track when assets are stolen or vandalized?
 g. Track when assets are reassigned to a different organizational entity or to another agency? Comments: (3a-g)
.....

4. Are all disposals of property approved by a designated person with proper authority?
.....

5. Has agency management chosen and documented the threshold level for capitalization in an Internal Policy/Procedure Book?
.....

6. Is someone assigned custodial responsibility by location for all assets?
.....

7. Is access to the perpetual fixed asset records limited to authorized individuals?
.....

8. Is there adequate physical security surrounding the fixed asset items?
.....

Yes N/A No

9. Is there adequate insurance coverage of the fixed asset items?
.....

- 10. Is insurance coverage independently reviewed periodically?
.....
- 11. Is a fixed asset inventory taken annually?
.....
- 12. Are missing items investigated and reasons for them documented?
.....

G/7: MATCHING, LEVEL OF EFFORT, OR EARMARKING

Control Activities / Information and Communication:

Yes N/A No

- 1. Is appropriate action taken when matching or level of effort requirements are not being met as scheduled?
.....
- 2. Are matching or level of effort requirements budgeted for state or federal financial assistance programs?
.....
- 3. Are "in-kind" contributions and volunteer services properly documented?
.....

H/8: PERIOD OF AVAILABILITY OF FEDERAL FUNDS

Control Activities / Information and Communication:

Yes N/A No

- 1. Does the accounting system prevent obligation or expenditure of State or Federal funds outside the availability period?
.....
- 2. Is staff knowledgeable of grant cut-off dates?
.....
- 3. Are unliquidated commitments cancelled at the end of the period of availability?
.....

I/9: PROCUREMENT AND SUSPENSION AND DEBARMENT

Non-Federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred or whose principals are

suspended or debarred. Covered transactions include procurement contracts for goods or services equal to or in excess of \$100,000 and all non-procurement transactions. <http://www.epls.gov/> This website is provided by General Services Administration (GSA) for the purpose of disseminating information on parties that are excluded from receiving Federal contracts, certain subcontracts, and certain Federal financial and nonfinancial assistance and benefits.

Control Activities / Information and Communication:

Yes N/A No

- 1. Is there established segregation of duties between employees responsible for contracting; accounts payable and cash disbursing?
.....
- 2. Is the contractor's performance including the terms, conditions, and specifications of the contract monitored and documented?
.....
- 3. Do supervisors review procurement and contracting decisions for compliance with State and Federal procurement policies?
.....
- 4. Are procedures established to verify that vendors providing goods and services under the award have not been suspended or debarred by the State or Federal Government?
.....
- 5. Are there written policies for the procurement and contracts establishing:
 - a. contract files,
 - b. methods of procurement,
 - c. contractor rejection or selection,
 - d. basis of contract price,
 - e. verification of full and open competition,
 - f. requirements for cost or price analysis,
 - g. obtaining and reacting to suspension and debarment certifications,
 - h. other applicable requirements for Federal procurement,
 - i. conflict of interest.
 Comments: (5a-i.).....
- 6. Is there written policy addressing suspension and debarments of contractors?
.....
- 7. Is there a system in place to assure that procurement documentation is retained for the time period required by the A-102 Common Rule, OMB Circular A-110, award agreements, contracts, program regulations, and Social Services Record Retention schedule?
.....

8. Are there proper channels for communicating suspected procurement and contracting improprieties?
.....

9. Does management perform periodic review of procurement and contracting activities to determine whether policies and procedures are being followed?
.....

J/10: PROGRAM INCOME

Control Activities / Information and Communication:

Yes N/A No

1. Are collection policies and procedures clearly documented and communicated to personnel responsible for program income?
.....

2. Are policies and procedures in place to ensure program income is deposited in the bank and reported as collected?
.....

3. Are there policies and procedures to provide for the correct use of program income as directed by State or Federal program requirements?
.....

4. Does the accounting system properly identify program income?
.....

5. Are there proper channels for communicating suspected improprieties in the collection or use of program income?
.....

6. Does management compare actual program income to budget and investigate differences?
.....

K/11: REAL PROPERTY ACQUISITION AND RELOCATION ASSISTANCE: This requirement does not apply to DHHS.

L/12: REPORTING

Through periodic reporting subrecipients provide some assurance that funds are being managed efficiently and effectively to accomplish the objectives for which the funds were provided. State and federal program requirements call for a variety of financial, performance and special reporting.

Control Activities / Information and Communication:

Yes N/A No

1. Are personnel responsible for submitting required reporting information adequately trained?
.....

2. Is the DSS-1571 submitted to the Department of Health and Human Services Office of the Controller by the twentieth calendar day of the month? (or the first workday after if the twentieth is a non-business day)
.....

3. Does the agency comply with proper record retention schedules issued by the N. C. Department of Cultural Resources, Division of Archives and History entitled "Records Retention and Disposition Schedule" for the Department of Social Services and DHHS Policy contained in the current revision of the following letters from the Office of the Controller "Records Retention And Disposition Schedule Memorandum and "Records Retention And Disposition Schedule Spreadsheet"?
.....

4. Are salaries paid at the approved rate in accordance with the county pay plan?
.....

5. Are salaries for all county DSS employees reported on the DSS-1571?
.....

6. Are fringe benefits claimed at the authorized rate?
.....

7. Are Day sheets maintained by all staff having direct client contact when mandated and performing client-related activities in more than one program?
.....

M/13: SUBRECIPIENT MONITORING

If Federal or State funds are subgranted by the agency, the agency has the responsibility, as required by Federal and State regulations, to develop procedures to monitor that funds are appropriately spent by its subrecipient. The requirement to monitor applies only in instances where the subrecipient is granted the funds as financial assistance, and does not apply to purchase of service contracts and agreements. For example, an agreement where a subrecipient will determine eligibility for Crisis Intervention Program (CIP) payments must be monitored. An agreement where a contractor provides maintenance to computer systems does not require monitoring, even if Federal or State funds will be used to support the contract.

Control Activities / Information and Communication:

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Yes N/A No

- 1. Is a master list maintained of all contracts?
.....
- 2. Is the master list of subrecipients/contracts updated as contracts are signed or terminated?
.....
- 3. Do contracts specify that subrecipients obtain an audit in accordance with the "Single Audit Act" (Either OMB A-128, A-110 or A-133)?
.....
- 4. Are findings identified in audit reports on subrecipients entered into a tracking system or otherwise identified for an audit resolution process?
.....
- 5. Are responses from subrecipients/Contractors indicating action to be taken on findings entered into a tracking system or otherwise identified for an audit resolution process?
.....
- 6. Are audit findings identified in audit reports for subrecipients assigned to appropriate personnel to resolve the findings?
.....
- 7. Is the audit resolution process periodically reviewed to determine that audit findings have been resolved?
.....
- 8. Is the monitoring guide up-to-date and does it cover all aspects of the program which would not be included in the compliance audit of the program?
.....
- 9. Are monitors adequately trained to evaluate the programs administered by subrecipients/Contractors?
.....
- 10. Do monitors use a monitoring guide?
.....

Yes N/A No

- 11. Do monitors consider factors such as size of grants, prior monitor findings, compliance audit findings, the size of the organization receiving the grant, and the experience of the organization in administering the program in selecting subrecipients for monitoring visits?
.....
- 12. Are monitor workpapers, findings, and resolutions reviewed by appropriately designated officials?

.....

N/14: Special Tests and Provisions

The specific requirements for Special Tests and Provisions are unique to each Federal and State program and are found in the laws, regulations, and the provisions of contract or grant agreements pertaining to the program. For programs listed in the annual State Compliance Supplement, the compliance supplements specify the criteria for Special Tests and Provisions. Requirements that are in all programs are found in the annual crosscutting requirements document.

Control Activities / Information and Communication:

Yes N/A No

1. Are compliance supplements reviewed annually by appropriate staff?

.....

2. Are the crosscutting requirements reviewed annually by appropriate staff?

.....

V. DAY SHEET TRAINING

Yes N/A No

1. The agency provided Day Sheet training for all appropriate staff during this past fiscal year.

If yes, indicate the total number of staff trained. -

.....

VI. SINGLE AUDIT

Yes N/A No

1. The agency was audited by an objective public accounting firm this past fiscal year?

.....

Yes N/A No

2. Appropriate agency staff reviewed the findings of the previous years' audit as preparation for current year audit.

.....

3. All audit findings and questioned costs from previous years have been appropriately resolved.

.....

VII. ADDITIONAL INFORMATION/ EXAMINATIONS OF AGENCY

Responses of "No" in this section do not signify internal control weaknesses to be considered in overall evaluation of subrecipient.

Yes N/A No

1. Has the agency undergone any other examination, monitoring, or investigation (either by an external entity or by internal audit staff) during the past year?

If yes, please indicate the name of the review.

.....

2. Has the agency undergone any reviews by the Division of Social Services in the past year?

If so, please indicate the name of the review.

.....

VIII. SECURITY ACCESS FOR INFORMATION SYSTEMS

(North Carolina Division of Social Services Information Security Manual)

The State of North Carolina's information and information systems are valuable assets that must be protected. Appropriate policies and procedures, must be in place to protect all information assets from accidental or unauthorized use, theft, modification, destruction, and to prevent the unauthorized disclosure of restricted information.

Control Activities / Information and Communication:

Yes N/A No

1. When an employee changes positions within the agency, system access for the prior position is revoked. This request must be completed via an updated electronic Information Resource Access Authorization Form (e-IRAAF).

.....

2. When an employee terminates employment for any reason, the Security Officer will request the CSC to terminate all accesses immediately. This request must be completed via an updated electronic Information Resource Access Authorization Form (e-IRAAF).

.....

3. The Agency Security Officer will review and document findings on the following reports for assigned security information systems. This review must occur at least every six months starting in FY beginning July

Attachment D

2009. Documentation of findings shall be kept for audit purposes. Appendix 13 of the Security Manual must be completed and kept on file for audit purposes.

Reports

SYSTEM	REPORT NAME
Crisis Intervention Program (CIP)	In the CIP system, under the Reports Section, click on the County Staff Listing and select your county.
Central Registry	NCXPTR: DHRCYA CYA SECURITY REPORT
Eligibility Information System (EIS)	NCXPTR: DHREJA SECURITY REPORT BY COUNTY
Enterprise Program Integrity Control System (EPICS)	NCXPTR: DHRFRD FRD440-1 ACTIVE USERS
Employment Programs Information System (EPIS)	NCXPTR: DHRWFJ SECURITY-ACTIVE IDS
Foster Care and Adoptions	NCXPTR: DHRPQA SECURITY TABLE REPORT
Foster Care Facility Licensing System (FCFLS)	NCXPTR: DHRFCF FCF FCF900-1 SECURITY REP
Food Stamp Information System (FSIS)	NCXPTR: DHRSLA RACF SECURITY COUNTY REPORT & DHRSLA RACF SECURITY REFERENCE (if needed)
Low Income Energy Assistance Program (LIEAP)	NCXPTR: DHREPA LIEAP SECURITY REPORT
Services Information System (SIS)	NCXPTR: DHRSYA SYA SECURITY REPORT
TANF Data Collection System (TDC)	NCXPTR: DHRWRA TDC SECURITY RPT

4. The Agency Security Officer will review and document findings on the following two reports: DHRBDA DHHS RACF USERID REPORT, available in NCXPTR; and the WIRM REPORT PROD report, available via the WIRM portal (<https://wirm.dhhs.state.nc.us>). The “Local DSS System Access Control” form must be emailed to DSS.Security.Review.Manager@dhhs.nc.gov to document findings of these reviews. The reviews must be conducted monthly and documentation must be emailed to the Performance Management Section (at the email address above) by the 20th of each month, unless an alternative schedule is specified by the DHHS Privacy and Security Office and the Performance Management Section.

Attachment D

Please list dates Agency Security Officer completed the above listed Security Reviews. _____

IX. CERTIFICATION

I hereby certify that the information presented in this self-assessment of internal controls and risk is true, accurate, and complete, to the best of my knowledge.

XXXX County Department of Social Services
Agency Name

Signature, Agency Director (REQUIRED)
DIVISION OF SOCIAL SERVICES
Subrecipient Self-Assessment of Internal Controls and Risks

Division of Social Services
Risk Evaluation Matrix - County Subrecipient

County Name: _____

Date Completed: _____

Criteria	Risk Level						Evaluation Score
	Low Risk		Moderate Risk		High Risk		
	Description	Weighting	Description	Weighting	Description	Weighting	
1. Staffing:							
Qualifications	Staff in key positions are professionally trained and have one or more years experience in that position.	1	At least half of staff in key positions are professionally trained for the position they hold and have some experience.	2	Staff in key positions have little or no experience or training.	3	
Turnover	No change in staff in key positions.	1	New or no staff in 1 or more key positions.	2	New or no staff in 1 or more key positions and new or no agency administrator and/or fiscal officer.	3	
2. History of Meeting Requirements:							
Program - Adult's Services	Agency has provided services and met program objectives specified in contract/funding agreement for past 2 years.	2	Program compliance history of the past 2 years includes minor weaknesses in service delivery/program objectives.	4	Program compliance history of the past 2 years includes major weaknesses in service delivery/program objectives.	6	
Program - Children's Services (Consider results of the Biennial Review, IV-E Monitoring, and TANF Monitoring.)	Agency has provided services and met program objectives specified in contract/funding agreement for past 2 years.	2	Program compliance history of the past 2 years includes minor weaknesses in service delivery/program objectives.	4	Program compliance history of the past 2 years includes major weaknesses in service delivery/program objectives.	6	
Program - Economic Independence (Consider results of the Food Stamp Quality Control Review and Work First/TANF Monitoring.)	Agency has provided services and met program objectives specified in contract/funding agreement for past 2 years.	2	Program compliance history of the past 2 years includes minor weaknesses in service delivery/program objectives.	4	Program compliance history of the past 2 years includes major weaknesses in service delivery/program objectives.	6	
Program - Child Support (Consider results of the IV-D Local Program Assessments.)	Agency has provided services and met program objectives specified in contract/funding agreement for past 2 years.	2	Program compliance history of the past 2 years includes minor weaknesses in service delivery/program objectives.	4	Program compliance history of the past 2 years includes major weaknesses in service delivery/program objectives.	6	

Attachment E

Fiscal	No significant audit findings for past 2 years.	2	Minor audit findings with pending corrective actions.	4	Significant audit findings within past 2 years or audit findings not addressed and resolved in timely manner.	6	
Reporting	Program and fiscal reports are almost always submitted in timely and accurate manner.	2	Routine reports are frequently late and contain some errors.	4	Routine reports reflect significant discrepancies or omissions.	6	
3. Self Assessment	Self assessment shows few or no internal control weaknesses. Where there is inadequate separation of duties, mitigating controls have been developed to protect against fraud and theft.	1	Self assessment shows several internal control weaknesses. Where there is inadequate separation of duties, mitigating controls have been developed to protect against fraud and theft.	2	Self assessment shows major internal control weaknesses. Where there is inadequate separation of duties, mitigating controls have not been developed or do not protect against fraud and theft.	3	

Total Evaluation Score 0

Evaluation Score Key, County-Operated IV-D Office:
 Low Risk = Score 15-25
 Moderate Risk = Score 26-35
 High Risk = Score 36-45

Evaluation Score Key, State-Operated IV-D Office:
 Low Risk = Score 13-21
 Moderate Risk = Score 22-30
 High Risk = Score 31-39

Completed By: _____

Division of Social Services Risk Evaluation Matrix - Non-County Subrecipient

Subrecipient Name: _____ Date Completed: _____

Criteria	Risk Level						Evaluation Score
	Low Risk		Moderate Risk		High Risk		
	Description	Weighting	Description	Weighting	Description	Weighting	
1. Staffing:							
Qualifications	Staff in key positions are professionally trained and have one or more years experience in that position.	1	At least half of staff in key positions are professionally trained for the position they hold and have some experience.	2	Staff in key positions have little or not experience or training in program area being funded.	3	
Turnover	No change in staff in key positions.	1	New or no staff in 1 or more key positions.	2	New or no agency administrator and/or fiscal officer.	3	
2. History of Meeting Requirements:							
Program	Agency has provided services and met program objectives specified in contract/funding agreement for past 2 years.	2	First year of funding for program (no basis for evaluation).	4	Program compliance history of the past 2 years includes weaknesses in service delivery/program objectives.	6	
Fiscal	No significant audit findings for past 2 years.	2	Minor audit findings with pending corrective actions.	4	Significant audit findings within past 2 years or audit findings not addressed and resolved in timely manner.	6	
Reporting	Program and fiscal reports are almost always submitted in timely and accurate manner.	2	Routine reports are frequently late and contain some errors.	4	Routine reports reflect significant discrepancies or omissions.	6	
3. Complexity of Funding	Funding is relatively simple in terms of allowable expenditures and documentation required (ex. SSBG, Food Stamp).	2	Funding is moderately complex in terms of allowable expenditures and documentation required (ex. IV-B).	4	Funding is very complex in terms of allowable expenditures and documentation required (ex. TANF, IV-E).	6	
4. Amount of Funding to Provider	Less than \$25,000	2	\$25,000 - \$299,999	4	\$300,000 or more	6	
5. Self Assessment	Self assessment shows few or no internal control weaknesses.	1	Self assessment shows several internal control weaknesses.	2	Self assessment shows major internal control weaknesses.	3	
Total Evaluation Score							0

Evaluation Score Key:
 Low Risk = Score 13-20
 Moderate Risk = Score 21-30
 High Risk = Score 31-39

Completed By: _____

SECTION II

GENERAL REQUIREMENTS FOR COUNTY DEPARTMENTS OF SOCIAL SERVICES

RISK ASSESSMENT PROCESS FOR COUNTY GOVERNMENT SUBRECIPIENTS

Completion of a risk assessment lays the framework for the specific methodology that will be used to monitor a subrecipient. The scope, level and intensity of monitoring shall be commensurate with the determination of the sub recipient's level of risk. The risk assessment takes into consideration an assessment of the adequacy of the internal controls in place within the organization to minimize exposure to risk. The Internal Control Questionnaire in the DHHS Subrecipient Monitoring Manual is one of the tools used to determine risk. (See Attachment D).

The result of the risk assessment process is that the subrecipient is assigned to one of three levels of risk: (1) low risk, (2) moderate risk, or (3) high risk. The level and extent of monitoring will be determined by an assessment of the subrecipients overall level of risk. For example, a desk audit may be appropriate for a subrecipient deemed to be low risk while random sampling or a full-scale on-site review may be necessary for a subrecipient assessed to be at moderate or high risk.

Low Risk Factors*

Suggested Monitoring

<p>No Audit finding. No corrective action plans. Capable staff with low turnover. Complete, accurate and timely routine reports. No complaints (clients, staff, etc.). Attend required meetings. Previously funded agency.</p>	<p>Desk Review of regular reports (fiscal/program). Random request of 1571 back-up information. Desk Monitoring twice during the contract year. Scheduled site visit (s).</p> <ul style="list-style-type: none"> • Documentation of monitoring activities. • Desk review of program and fiscal reports submitted to the Division. • On-site visit every three years. <p>Documentation of monitoring activities along with the protocols used and the documents reviewed shall be maintained in the subrecipients file.</p>
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Medium Risk Factors*

Suggested Monitoring

<p>Audit findings. Weakness in internal controls. Weakness is staff. Change in Management/Administration. Variances in fiscal/monthly reports. New Contractor. Non-attendance of required meetings. Late contract start date. Unclear program/fiscal policies. Late submissions of required documentation.</p>	<p>Desk Review of regular reports (fiscal/program). Random request of 1571 back-up information. Desk Monitoring twice during the contract year. Scheduled site visit(s) for specific areas of concern. Corrective Action Plan implemented. Documentation of monitoring activities.</p>
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High Risk Factors***Suggested Monitoring**

<p>Unresolved audit finds. Unresolved correction action plan. Untrained staff/turnover. Complaints. Failure to submit required documentation. On Non-Compliance State Auditor’s List. Lack of Program/Fiscal Policies. Failure to respond.</p>	<p>Desk Review of regular reports (fiscal/program). Random request of 1571 back-up information. Desk Monitoring twice during the contract year. Scheduled site visits(s) for specific areas of concern. Unscheduled site visits. Corrective Action Plan implemented. Follow-up site visit(s) within three months. Documentation of monitoring activities.</p> <ul style="list-style-type: none"> • Termination of contract On-site verification of compliance requirements which are indicative of the need for closer review or examination based on concerns regarding internal controls or specific factors indicated by the risk assessment. • Tests of certain compliance areas based on random sampling or a more full-scale review • Follow-up desk reviews of program and fiscal reports submitted to the Division. • Review and monitor compliance with plans of correction and implementation of recommendations which resulted from technical assistance provided to the subrecipient agency. • Follow-up visit scheduled within 6 months to verify the appropriate checks and balances have been put in place to minimize subrecipient’s risk.
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* Any or all factors determine risk level.

SELECTING AND MONITORING SUBRECIPIENTS-GRANTS

The level of monitoring of each subrecipient is determined in part by the assessment of risk for identified subrecipients. Also, specific monitoring requirements are determined in part by any monitoring components specified in the special tests and provisions of the compliance supplements. In such cases, the *Monitoring Coordinator* will function to assure that these monitoring activities are occurring per the compliance supplement, and entered into Division of Social Services tracking System.

Sometimes circumstances will require coordination of program monitors, program representatives, the monitoring coordinator and other NCDSS staff in addressing concerns that arise which require monitoring beyond that specified in the compliance supplement. In such cases, the monitoring coordinator may identify additional staff to conduct monitoring inquiries or on-site visits, either in concert with the program monitor, or independently as the situation requires.

The *Monitoring Coordinator* may also conduct routine random monitoring activities of subrecipient monitoring to assure State, Federal and other NCDSS stakeholders that as a Division, subrecipient monitoring requirements are being met.

DOCUMENTATION OF MONITORING ACTIVITIES

Each Program Compliance Monitor Contract Administrator; or Program Administrator is responsible for reporting their monitoring activities. This shall be documented in a format developed by the Lead Monitor. Any ensuing technical assistance required as a result of subrecipient monitoring activities shall be referred to the contract administrator or the appropriate program representative for follow-up.

Monitoring activities shall be documented in the Division of Social Services tracking system. The lead Monitoring Coordinator will review input into the Division of Social Services tracking system on a regular basis to determine the completeness and accuracy of the data, whether previous issues have been resolved, and for the purpose of coordinating monitoring visits with other Divisions.

In addition, copies of certain monitoring documents will be kept in a centralized location by the designated support staff to facilitate easy access and review. This shall include copies of all source documents such as the Self Assessment Review Summary, the risk assessment tool, monitoring tools and instruments and copies of pertinent information used for monitoring shall also be included in the subrecipients file. Copies of all communications sent out to the subrecipient and received from the subrecipient that pertains to subrecipient monitoring shall also be included in the file. This includes copies of the notification, the monitoring results report, plans of correction and notification to the subrecipient of the disposition of the outcome of the review of the corrective action plan (closure letter).

SANCTIONS FOR NON-COMPLIANCE

This section describes the recourse NCDSS has when monitoring activities confirm that the subrecipient is out-of-compliance with state and federal regulations based on the requirements of the type financial assistance received and as outlined in the program or grant agreement. If NCDSS suspects or determines that a subrecipient has failed to adhere to required guidelines, the following actions should be completed and documented as necessary:

1. Section/program staff should first make every effort to work with the subrecipient agency to identify and document problems, plan steps to resolve them, and monitor the results of corrective actions taken.
2. If necessary, NCDSS will request assistance from the DHHS Controllers Office or from other appropriate external entities.

COUNTY SUBRECIPIENT SELF-ASSESSMENT OF INTERNAL CONTROLS

Each local DSS is required to submit a self-assessment of internal controls to their assigned Local Business Liaison annually. This annual requirement may be waived up to 4 times from the receipt of the original assessment, provided the DSS Director signs a certification indicating that there have been no changes from the original self assessment. County is eligible for certification unless:

a) There were more than fiscal findings or questioned costs cited in the single audit for year ending June 30, or; b) The agency Director and /or fiscal officer have less than two years experience in that position or one or both positions are vacant, [by June 30,]or, c) There were weaknesses reported on the Self Assessment survey with NO explanation of mitigating controls in place or a notation of planned changes.

If any of the above conditions exist the county is required to submit a full self assessment until they meet all of the above requirements. The LBL will review the Self Assessment for completeness and signature. The LBL will then complete a Self Assessment Review Summary and forward this to the Lead Monitor.

The Lead Monitor will coordinate sending out completed self-assessment summaries to all Sections/divisions as requested.

MONITORING ACTIVITIES

Identification of specific monitoring activities to be performed may be found in the section plan for each Section. Program monitoring functions shall include, but are not limited to the following types of activities:

1. Reviewing federal and state programmatic and financial requirements for the particular program being monitored to determine compliance criteria.
2. Assessing internal control over fiscal compliance requirements to provide reasonable assurance that: funds are disbursed to subrecipients only on an as-needed basis; that funds are disbursed to subrecipients only on the basis of approved, properly completed expenditure reports submitted on a timely basis; that refunds due from subrecipients are billed and collected in a timely manner through the DHHS Controller's Office Accounts Receivable Section and that subrecipients and other entities and individuals receiving funds meet eligibility requirements and documentation standards including appropriate record retention;
3. Reviewing financial and program reports received from subrecipients on a timely basis and investigating unusual items;
4. Reviewing audit reports to evaluate a sub-recipient's compliance with applicable laws and regulations;
5. Reviewing previously identified deficiencies to determine if corrective action was taken,
6. Reviewing the DHHS Monitoring Website prior to a monitoring visit to determine if the subrecipient has previously been monitored. Monitors should review the risk assessment and previous monitoring compliance concerns. This will provide valuable information to assist in planning the monitoring visit and reduce redundant work effort.

MONITORING REPORT AND CORRECTIVE ACTION

A written report is required on all On-Site Reviews and Desk audits. The report is due 80 calendar days from the date of the review. The report must, at a minimum, include summary of the monitoring findings, a list of the cases pulled (if applicable), findings for all cases reviewed and any corrective actions necessary.

If a program in the local agency is found to be out of compliance a corrective action plan must be developed that is geared toward program compliance. Reviewers are encouraged where possible and practical to develop any needed corrective action plan with county staff.

When a non-allowable cost finding is made, corrections or fixes must be made effective the month of monitoring. Corrective action must be made on the next 1571 report. The case must be corrected from the date the error occurred to the current period..

Each Section will determine which programmatic staff will follow-up with counties to ensure that corrective actions have been taken and evaluate whether the corrective actions have been successful.

If a Program Compliance Representative/Monitor suspects internal fraud it will be reported to the Division Director. The Division will prepare an SBI Report and consult with the Internal Auditor and the Division of Budget and Analysis. In the event that the Internal Auditor agrees that the Division's suspicions are well founded, the DHHS Office of the Internal Auditor will coordinate an audit/investigation as deemed appropriate with the Office of State Auditor, internal staff, Federal authority, local law enforcement authorities, and/or the SBI.

UPDATING DHHS' MONITORING WEBSITE

At the beginning of the fiscal year each section must load the following data for new programs/contracts: {Data from Programs already entered in the DHHS Monitoring website will be copied to the new SFY }

- Subrecipients Name and Federal ID number; Subrecipient Administrator/ Agent's Name, Mail and Street address, Email address, Phone number and Fax number.
- Program Name and relevant compliance requirements.
- Type of subrecipient (not-for-profit, governmental organization, public authority, for-profit, etc.)
- Total Contract/Grant Amount and funding source name and amount for federal, state and other funds.

The DHHS Monitoring Website must be updated within 45 calendar days from date of the monitoring review. This is extremely important as other sections/divisions may be able to use the results in their risk assessment. Each Section/Program Compliance Representative must update the monitoring website with the results/findings of monitoring visits (including corrective action plans), assignment of risk assessment, and status of follow-up activities from prior year findings, status of any unallowable costs and schedule of all On-site Reviews/Desk Reviews for the current SFY. In addition A Year End Report for each program subrecipient must be completed within 45 calendar days from the end of the fiscal year

SECTION III.

GENERAL REQUIREMENTS FOR NON GOVERNMENT SUBRECIPIENTS

There are numerous non-government sub-recipients who receive funding through the Division of Social Services to provide financial assistance. All contracts identified in the Contracts Database, as Financial Assistance have been reviewed by use of the Contract Determination Questionnaire to determine if they are a Financial Assistance contract. [See Attachment B Contract Determination Questionnaire] All Financial Assistance contracts must be identified in the Section’s monitoring plan. Contract managers are responsible for monitoring their assigned contracts. [See Attachment A for a current listing of Financial Assistance Contracts]

RISK ASSESSMENT FOR SUBRECIPIENTS:

Initially, risk assessment starts during the contracting process. Areas evaluated include, but are not limited to: the size of the contracted agency, complexity of funding and programs, organizational experience, size of funding award, variety of programs, organizational history, previous experience, resolution of issues indicated in the Program Monitoring Database, and staff turnover. The following charts outline risk factors that are considered when assessing the monitoring required for each contracted agency.

Low Risk Factors*

Suggested Monitoring

No Audit finding. No corrective action plans. Capable staff with low turnover. Complete, accurate and timely routine reports. No complaints (clients, staff, etc.). Attend required meetings. Previously funded agency.	Desk Review of regular reports (fiscal/program). Random request of 1571 back-up information. Desk Monitoring twice during the contract year. Scheduled site visit (s). Documentation of monitoring activities.
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Medium Risk Factors*

Suggested Monitoring

Audit findings. Weakness in internal controls. Weakness is staff. Change in Management/Administration. Variances in fiscal/monthly reports. New Contractor. Non-attendance of required meetings. Late contract start date. Unclear program/fiscal policies. Late submissions of required documentation.	Desk Review of regular reports (fiscal/program). Random request of 1571 back-up information. Desk Monitoring twice during the contract year. Scheduled site visit(s) for specific areas of concern. Corrective Action Plan implemented. Documentation of monitoring activities.
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High Risk Factors*

Suggested Monitoring

<p>Unresolved audit finds. Unresolved correction action plan. Untrained staff/turnover. Complaints. Failure to submit required documentation. On Non-Compliance State Auditor’s List. Lack of Program/Fiscal Policies. Failure to respond.</p>	<p>Desk Review of regular reports (fiscal/program). Random request of 1571 back-up information. Desk Monitoring twice during the contract year. Scheduled site visits(s) for specific areas of concern. Unscheduled site visits. Corrective Action Plan implemented. Follow-up site visit(s) within three months. Documentation of monitoring activities. Termination of contract.</p>
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* Any or all factors determine risk level.

CORE AREAS TO BE MONITORED *

The OMB Circular A-133 specifies fourteen (14) areas of compliance monitoring. North Carolina has an additional requirement that policies prohibiting conflict of interest be reviewed for non-profit subrecipients. Depending on the program and type of funding, all 14 core areas may **not** be applicable to the funding source.

The core areas of compliance monitoring involve fiscal monitoring (i.e., review of financial statements and audit findings and internal control questionnaires) and program monitoring (i.e., determination of whether the eligibility criteria were met or review of the scope of work to see if the objectives of the contract have been met). Following is a brief description of each of the core areas:*

CC: Crosscutting Requirements: These are supplements written by state agencies to detail in one location the common compliance requirements that span across several programs.

A/1: Activities Allowed or Unallowed: This requirement refers to specific activities identified in the grant agreement, contract, allocation, letters, policy manuals and state or federal regulations that are allowed or that may be unallowed. The purpose of this requirement is to provide reasonable assurance that State and Federal funds are used for the intended purposes.

B/2: Allowable Costs/Cost Principles: This requirement seeks to assure that the costs paid to the contractor are reasonable and necessary for the operation and administration of the program and that the subrecipient uses an acceptable method of allocating costs, including indirect costs.

C/3: Cash Management: This requirement is only applicable if the contractor receives an advance of funds from NCDSS of more than 60 days from when the funds would ordinarily be disbursed. In accordance with the DHHS Cash Management Policy, the Controller’s Office is responsible for reviewing the cash needs of subrecipients that receive advances every three months to determine whether or not the advance represents more than a 60-day cash requirement.

D: Davis-Bacon Act: This requirement is not applicable to DHHS subrecipients. It is a federal law that applies to contractors with contracts for more than \$2,000 financed by federal dollars where laborers and mechanics are employed.

E/5: Eligibility: This requirement ensures that only those individuals and organizations that meet the eligibility requirements for receiving services or financial assistance from the program participate in the program. The eligibility requirement for an individual diagnosis, risk factors, medical necessity criteria, income, etc. Similarly, an organization may qualify to participate in a program based on the extent to which the type of program and the mission of the organization are consistent with the requirements of the funding source.

F/6: Equipment and Real Property Management: This requirement refers to tangible property that has a useful life of more than one year and costs more than \$5,000. Such equipment may only be purchased per the conditions of the approved contract or grant agreement.

G/7: Matching, Level of Effort, Earmarking: These requirements are specifically addressed in the grant documents, allocation letters, contracts and state or federal regulations.

- *Matching* refers to the specific amount or percentage of funds the subrecipient is required to match the state or federal grant. The matching portion must be verifiable in the accounting records, incurred during the period of the award, must not be used to meet the match of another program, allowable under cost principles and derived from non-federal or non-state funds unless specifically authorized.
- *Level of Effort* refers to the specific level of service that must be provided (e.g., the number of clients the subrecipient must serve) or a specified level of service (e.g., maintenance of effort) or the requirement that federal or state funds may only be used to supplement the non-state or non-federal funding of the service.
- *Earmarking* refers to the requirement that an amount or percentage of a program's funding must be used for specific activities.

H/8: Period of Availability of Federal Funds: This requirement refers to the time period authorized for state and federal funds to be expended. State funds are authorized for the fiscal year (July 1 – June 30); however, NCDSS may allow a subrecipient to carry forward unexpended funds into the next fiscal year. Most federal funds allow additional time after the end of the grant period for obligations incurred during the grant period to be paid.

I/9: Procurement and Suspension and Debarment: This requirement assures that the subrecipient follows the state and federal policies and procedures for procurement, that the subrecipient has not been suspended or disbarred from receiving funding from the state or federal government, and that the subrecipient does not use federal funds to purchase goods or services costing more than \$100,000 from a vendor that has been disbarred by the federal or state government..

J/10: Program Income: The purpose of this requirement is to assure that program income is being used appropriately. This requirement refers to the gross income received by the subrecipient on activities, services or goods purchased with state or federal funds. Program income may be used to provide matching funds when approved by the state or federal agency.

K/11: Real Property Acquisition and Relocation Assistance: *This requirement does not apply to DHHS.*

L/12: Reporting: Contract administrators are required to monitor the financial, performance and special reporting of the subrecipient in order to provide assurance that funds are being managed efficiently and effectively to accomplish the objectives of the program as specified in the compliance supplement, applicable laws and regulations, and contract or grant agreements.

M/13: Subrecipient Monitoring: Program Monitors/Contract administrators /Program coordinators are required to provide assurance that any NCDSS subrecipient that subcontracts with another agency monitors the agency with which the subrecipient subcontracts as specified in the compliance supplement for the funding source.

N/14: Special Tests and Provisions: Program Monitors/Contract administrators/Program coordinators must provide assurance that all special requirements found in the laws, regulations, or the provisions of the contract or grant agreement are monitored appropriately. Such special tests and provisions may relate to fiscal and/or programmatic requirements or may include actions that were agreed to as part of the audit resolution of prior audit findings or in corrective action plans identified as a result of monitoring reviews.

15: Conflict of Interest: This requirement applies to any private, non-profit entity eligible to receive state funds, either by General Assembly appropriation, or by grant, loan or other allocation from a State agency (S.L. 1993-321, Section 16 of the Appropriations Act). An agency official is required to sign a notarized copy of the policy before a contract is executed. Copies of the organization's attestation to the Conflict of Interest Policy is kept by the Program Compliance section in the organization's file. The Division's Conflict of Interest Policy for Private Not-for Profit Agencies can be found in Attachment X.

The applicable compliance requirements for a funding source are outlined in the compliance supplement for the specific federal or state program. In cases where a program is funded by multiple funding sources, the funding source with the most stringent requirements would be the criteria used to monitor the program. The compliance supplement identifies those core areas which at a minimum must be monitored. Monitors are not precluded from looking at additional areas as long as the minimum core areas are also examined. (See Attachment B for an overview of compliance requirements for each program for which NCDSS is the pass-through entity). Monitoring the compliance requirements helps to fulfill part of the intent of the Federal Financial Assistance Management Improvement Act of 1999 (i.e., to improve the effectiveness and performance of federal financial assistance programs).

**Note: With the exception of the Davis-Bacon Act (D) the Conflict of Interest (15) and No Overdue Taxes requirement, the federal and state requirements are the same. The alphabetic code denotes how the federal requirement is referenced. The numeric code is the corresponding state code for that core area.*

PROCESS OF REVIEW

Monitoring begins during the contracting process with agencies and encompasses a variety of tools that are used throughout the contract period. Fiscal and program reports, desk monitoring, site visits and on-going telephone/e-mail contact with contracted agencies provide valuable information to determine agency's contractual compliance and program success. Contract Administrators are responsible for monitoring contractual activities, maintaining monitoring documentation and providing monitoring follow-up to all contracted agencies.

On a monthly basis, Contract Administrators review the DSS 1571 III Administrative Cost Report for accurate, allowable and reasonable costs and the State Auditors' non-compliance list is reviewed to ensure all G.S. 143-6.2 reporting requirements are being fulfilled by the contracted agency. If applicable, monthly program reports or database entries into the Family Support Database are reviewed to ensure participants are enrolled and programming activities have been implemented. Ongoing telephone and e-mail monitoring is documented by the Contract Administrator when it pertains to possible contractual non-compliance issues.

Desk monitoring is performed during the first quarter of the contract year by the Contract Administrator. Organizations receive a "Performance Status Report" (see attachment). This document is completed by the contracted agency within 60 days of the contract start date and is essential to the desk monitoring process. A conference call between the Contract Administrator and contracted agency administration/staff, reviews the agency's Performance Status Report to ensure that required components of programming and accurate monthly reporting are being implemented and baseline data is being compiled to fulfill the evaluation plan of the contract. In addition, any concerns or additional clarification needed by the contracted agency regarding the contract are addressed with the Contract Administrator. A review of the Performance Status Report after the conference call enables the Contract Administrator to finalize the risk assessment of the contracted agency. The risk assessment of the agency is entered into the DHHS Program Monitoring Database by the Contract Administrator. This desk monitoring process is repeated again in the third quarter of the contract year.

A site visit is scheduled during the second quarter of the contract year and entered into the DHHS Program Monitoring Database. Contracted agencies receive a letter informing them of the site-visit date and contractual areas that will be reviewed during the visit. If the contracted agency is assessed at medium or high risk, a site visit is scheduled early in the second quarter. Contracted agencies assessed as high risk during the third quarter's Performance Status Report review, will require another scheduled/unannounced site visit in the fourth quarter. The Site Visit Report (see attachment) is completed at the end of the scheduled/unannounced site visit. The OMB Circular A-133 specifies fourteen areas of compliance monitoring and if applicable to the program are reviewed during the site visit, in addition to the contracted agency's Conflict of Interest Policy which is included in the agency's executed contract. Areas concerning programming, fiscal management, compliance requirements, personnel, safety, organizational capacity, subcontract services and evaluation are also reviewed to confirm contractual compliance during the site visit. Contracted agencies receive a copy of the completed site-visit form at the end of the site-visit. A successful site visit will require a re-assessment of risk level for medium and high contracted agencies to a lower risk level.

CORRECTIVE ACTION:

Contracted organizations failing to meet contractual requirements have thirty days to adhere to a corrective action plan developed by the Contract Administrator. The contracted agency immediately moves to a higher risk level which is amended in the DHHS Monitoring Database. A follow-up site visit by the Contract Administrator verifies compliance to the corrective action plan. If the contract is still in non-compliance status, the contract may be terminated due to failure to meet the terms and conditions of the contract.

MAINTENANCE OF MONITORING DOCUMENTATION

All monitoring documentation, verification information, corrective action plans, correspondence, and program/fiscal reports are maintained in the agency's master file located in the Community Based Program's office located at the NC Division of Social Services, 325 S. Salisbury Street, Room 779, Raleigh, NC 27603. Contract Administrators are responsible for the maintenance of monitoring documentation and entering all pertinent information into the DHHS Program Monitoring Database.

UPDATING DHHS' MONITORING WEBSITE

At the beginning of the fiscal year each contract administrators will review the base record imported from the previous year's database for accuracy of the following:

- Subrecipients Name and Federal ID number; Subrecipient Administrator/ Agent's Name, Mail and Street address, Email address, Phone number and Fax number.
- Program Name and relevant compliance requirements.
- Contract ID Number and contract period.
- Type of subrecipient (not-for-profit, governmental organization, public authority, for-profit, etc.)
- Total Contract/Grant Amount and funding source name and amount for federal, state and other funds.

The DHHS Monitoring Website must be updated within 45 calendar days from date of the monitoring review. This is extremely important as other sections/divisions use the results in their risk assessment. Each contract manager will update the monitoring website with the results/findings of monitoring visits (including corrective action plans), assignment of risk assessment, status of follow-up activities for prior year findings and status of paybacks, and schedule of On-site Reviews/Desk Reviews for the current SFY. In addition a Year end monitoring Report must be completed within 45 calendar days of the end of the State Fiscal Year. Since all contracts do not end on June 30, some monitoring will be not be completed by June 30 of each year. In this instance the results of the monitoring for the period July 1, until the contract ending date will be included in the next SFY Monitoring Data Base.

SECTION IV
BUDGET OFFICE FISCAL MONITORING PLAN SFY 11-12

PURPOSE

The Division of Social Services is responsible for administering a \$1.3 billion budget for Public Assistance and Social Service Programs through out the State of North Carolina. The Budget Office supports the financial and operational activities as well as administrative management functions and contract related activities.

The purpose of this monitoring plan is to assure compliance with federal requirements by subrecipients.

OVERVIEW

Fiscal monitoring will be completed by the Local Business Liaison's (LBL).

Budget Office Staff Performing Subrecipient Monitoring and Related Support Activities are identified below:

Supervisor	
Staff Person	Area of Responsibility
James Clark	Fiscal
Local Business Liaisons	
Phil Lassiter	-Self Assessment of Internal Controls Survey for county grant subrecipients. -Recoupment of Questioned costs -Fiscal Monitoring
Vacant	-Self Assessment of Internal Controls Survey for county grant subrecipients. -Recoupment of Questioned costs -Fiscal Monitoring
Dana Sisk	-Self Assessment of Internal Controls Survey for county grant subrecipients. -Recoupment of Questioned costs -Fiscal Monitoring
Hugh Cole	-Self Assessment of Internal Controls Survey for county grant subrecipients. -Recoupment of Questioned costs -Fiscal Monitoring
Judy Hopkins	-Self Assessment of Internal Controls Survey for county grant subrecipients. -Recoupment of Questioned costs -Fiscal Monitoring
Maggie Holley	-Self Assessment of Internal Controls Survey for county grant subrecipients. -Recoupment of Questioned costs -Fiscal Monitoring
Vacant	-Self Assessment of Internal Controls Survey for county grant subrecipients. -Recoupment of Questioned costs -Fiscal Monitoring
Pat Adcock	-Self Assessment of Internal Controls Survey for county grant subrecipients. -Recoupment of Questioned costs -Fiscal Monitoring

Program Areas and Services to be Monitored

Area	Federal/State Compliance Number	Subrecipients be monitored	Funding Source and Amount* SFY 2011-2012	Review Tool
Food and Nutrition Services	CS-10.551-CL	Attachment B	Food and Nutrition Services Administration \$107,923,668	Attachment A,
Child Support Enforcement	93.563	Attachment B	Title IV-D \$101,061,531	Attachment A,
Work First	93.558	Attachment B	TANF Block Grant \$192,509,663	Attachment A,
Low Income Home Energy Assistance (LIHEAP)	93.568	Attachment B	LIHEAP Block Grant \$20,535,702	Attachment A,
Foster Care Title IV-E Administration	93..658	Attachment B	Title IV-E \$65,049,903	Attachment A,
Adoption Assistance IV-E Administration	93..659	Attachment B	Title IV-E Adoption Assistance \$4,242,243	Attachment A,
Social Services Block Grant (SSBG) Administration	93.667	Attachment B	Social Services Block Grant \$49,429,469	Attachment A,

Below is a brief description of the program areas and services to be monitored by the Budget Office:

FOOD AND NUTRITION SERVICES

The Food and Nutrition Services Program (FNS) provides cash like benefits for eligible low income individuals and families to use to purchase nutritious food. Benefits are based on family size and income; benefits are made available monthly via an Electronic Benefits Transfer (EBT) card. Food and Nutrition Services benefits are accessed through the 100 local county departments of social services. After applicants are determined eligible to receive benefits by their respective county departments of social services, they are issued an EBT (Electronic Benefits Transfer) card to purchase food.

CHILD SUPPORT ENFORCEMENT

The Child Support Enforcement program aids in the establishment and collection of child support to ensure that both parents support their children. The program processes include 1) location of the non-custodial parent for establishment and enforcement of existing child support orders, 2) paternity establishment for children born outside of marriage, 3) establishment and modification of new and existing orders of support, 4) enforcement of support obligations, and 5) collection and distribution of support.

The goal of the program is to consistently collect as much child support as possible and to help families become self-sufficient. Non-State Operated Child Support Offices will be subject to this monitoring.

WORK FIRST

North Carolina's Work First Program is based on the premise that parents have a responsibility to support themselves and their children. Through Work First, parents can get short-term training and other services to help them become employed and self-sufficient. Families can receive support up to five years. Work First emphasizes three strategies: Diversion, Work, and Job Retention. Work First Family Assistance is also provided for eligible children whose caretaker is not eligible for benefits themselves.

Work First Family Assistance provides monthly financial assistance to assist in meeting the basic needs of families with children such as food, shelter, etc.

Work First services are provided to families to improve their employability skill, to assist families to become employed, retain employment, and become self-sufficient. The services provided to families include but are not limited to education/training, employment services, childcare, transportation services and retention services to the employed. These services provided to clients enable the state to meet employment goals for able-bodied adults entering employment and able-bodied adults remaining off Work First for employment. Generally, these services are provided by a Work First employment worker or by other community agencies.

LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)

Crisis Intervention Program (CIP) is part of the Low Income Home Energy Assistance Program (LIHEAP) Block Grant. Applicants apply for CIP funds to alleviate a heating or cooling related crisis. . Emergency Contingency Funds are sometimes released allowing households to receive additional funds. Under current policy, households have an annual maximum limit that each individual county sets not to exceed \$600.00 including Emergency Contingency Funds. LIEAP is a one-time cash payment to help eligible households pay heating bills. Administrative funding is provided through this grant.

FOSTER CARE TITLE IV-E ADMINISTRATION

Foster Care Title IV-E Administration is reimbursement for staff cost related to services provided for clients who are IV-E eligible. IV-E eligibility is based on connectivity to the old Aid to Families with Dependent Children (AFDC) Program. This is currently for children who are in Foster Care, or children who are at risk of coming into foster care or other related functions. In addition IV-E funding can be utilized to pay for Foster Care Room & Board. Administrative reimbursement for certain training and recruitment cost are allowed.

ADOPTION ASSISTANCE IV-E ADMINISTRATION

Adoption Assistance IV-E Administration is reimbursement for staff cost for services provided to clients who are IV-E eligible. IV-E eligibility is based on connectivity to the old Aid to Families with Dependent Children (AFDC) Program. This is currently for children who are in Adoptive Placements or other related services. In addition, IV-E Adoption Assistance funding can be utilized to pay for Adoption Assistance and Adoption Assistance Vendor payments. Administrative reimbursement for certain training and recruitment cost are allowed.

SOCIAL SERVICES BLOCK GRANT (SSBG) ADMINISTRATION

Social Services Block Grant (SSBG) Administration is reimbursement for staff cost and direct purchased services for clients who are eligible. SSBG funds are made available under Title XX of the Social Security Act. SSBG funding is broken into sub funding sources: SSBG, State In-home, TANF to SSBG and Adult Day Care Federal. SSBG and State In-home can be used to provide in-home services for elderly or disabled adults. TANF to SSBG is used for administrative funding for staff cost and purchased services. Adult Day Care is paid to providers who provide eligible clients with Adult Day Care Services.

Areas to be monitored: (Food & Nutrition Services (FNS), Child Support (IV-D), TANF, Low Income Home Energy Assistance Program (LIHEAP), Foster Care Title IV-E Administration, Adoption Assistance Title IV-E Administration, Social Services Block Grant (SSBG). The following is an outline of Attachment A:

Programs (Food & Nutrition Services (FNS), Child Support (IV-D), TANF, Low Income Home Energy Assistance Program (LIHEAP), Foster Care Title IV-E Administration, Adoption Assistance Title IV-E Administration, Social Services Block Grant (SSBG) :

.....

(If county does not operate Child Support or operated elsewhere in county government or contract, notate):

.....

DSS-1571: Part I (Administrative Costs):

DSS-1571 payroll entries verified to general ledger

Comments/findings:

Direct Worker Certifications reviewed

Comments/findings:

Day Sheet Summary or other verification of staff time coded to FNS, LIHEAP/CIP, or IV-E eligibility

Comments/findings:

Percent of time report reviewed for minutes to Program Code R/TANF, LIHEAP/CIP (if reported on Part I B see day sheet summary), IV-E Foster Care Administration & IV-E CPS, IV-E Adoption Assistance, SSBG, State In-Home, TANF to SSBG

Comments/findings:

Staff coded properly to:

FNS: 64-14-B 65-14-B 65-16-B 65-11-B 64-09-B

IV-D: 79-09-C 79-10-C 79-14-C

TANF: 54-10-A 54-12-A 54-18-A 54-14-A

LIHEAP/CIP: 01-16-A 64-16-B 66-16-B

IV-E Foster Care Administration and IV-E CPS: 38-09-A 38-10-A 38-14-A 38-15-A
 38-16-A 22-10-A 25-15-A 27-15-A 67-09-B

IV-E Adoption Assistance Administration: 38-12-A 38-13-A 99-14-A

SSBG Administration: 01-09-A 01-10-A 01-11-A 02-09-A 14-11-A 15-11-A
 17-11-A 18-11-A 39-11-A

State In-Home: 01-13-A 14-13-A 15-13-A 15-15-A 17-13-A 18-13-A
 19-13-A
 39-13-A 40-13-A 41-13-A 42-13-A 44-13-A 45-13-A 46-13-A

TANF to SSBG: 03-09-A

Comments/findings: _____

DSS-1571: Part II (Statement of Administrative Costs and Purchased Services):

County General Ledger matches payment Reviewed 1571, Part II to insure cost reported correctly

Comments/findings: _____

FNS Employment & Training Vouchers: Voucher request for payments reviewed Part II code: 458 or 472

FNS code 031,087

Comments/findings (if county not E&T or no payments made, document):

IV-D:

Reviewed all expenditures posted to Part II by correct code: 123, 202, 423, 432, 449, or 450.

Comments/findings: _____

TANF:

Reviewed all expenditures posted to Part II by correct code: 204, 205, 206, 207, 227, 228, 229, 238, 246, 273, 276, 280, 281, 288 or 045.

Comments/findings: _____

LIHEAP/CIP:

Reviewed all expenditures posted to Part II by correct code: 358, 372,379

Comments/findings: _____

IV-E Foster Care Administration and IV-E CPS

Reviewed all expenditures posted to Part II by correct code: 072, 074, 097, 230, 302, 363, 364, 431

Comments/findings: _____

IV-E Adoption Assistance Administration:

Reviewed all expenditures posted to Part II by correct code: 095, 132, 133, 355, 364

Comments/findings: _____

SSBG Administration

Reviewed all expenditures posted to Part II by correct code:

SSBG: 308, 321, 322, 323, 331, 332, 333 334, 345

State In-Home: 190, 331, 332, 333, 334, 335

TANF to SSBG: 050

Comments/findings: _____

DSS-1571: Part IV (Purchased Services and Fees):

Part IV codes will be reviewed by fund ID codes and Service Code to verify charged to correct fund source. The same Service Code and a different Program Code may be used.

IV-D (Fees): Verified fees are posted to county general ledger and receipts issued

Comments/findings: _____

Verified fees are posted on 1571, reviewed by Fund ID 3

Comments/findings: _____

TANF: Part IV codes reviewed by Fund ID T or Y, unless program service code 351 is utilized.

Comments/findings: _____

Food and Nutritional Services: Part IV codes reviewed by Fund ID H or S.

Comments/findings: _____

LIHEAP/CIP: Part IV charges are not allowed.

Comments/findings: _____

IV-E Foster Care Administration and IV-E CPS Part IV codes reviewed by Fund ID R

Comments/findings: _____

IV-E Adoption Assistance Administration Part IV code by reviewed Fund ID: X

Comments/findings: _____

SSBG Administration Part IV Codes reviewed by Fund IDs: 3, 4, 7, 8, A, L, M, or P.

Comments/findings: _____

MONITORING ACTIVITES PROCESS

Each County Department of Social Services will be monitored once every three years, based on the attached schedule. The monitoring schedule will be reviewed and updated annually. County Departments of Social Services will be notified via e-mail prior to each fiscal monitoring visit with a list of information required. The monitoring year will be based on the State Fiscal year and start in FY 2008-2009. Monitoring for SFY 2008-2009 consisted of Food and Nutrition Services, Child Support Enforcement and TANF (Federal Dollars in the Work First Block Grant). Monitoring effective SFY 2009-2010 will add LIHEAP/CIP, Foster Care Title IV-E Administration, Adoption Assistance IV-E Administration and Social Services Block Grant (SSBG). One month's data will be selected for review and will be based on the service month, which will be either one or two months prior to the scheduled visit.

Attachment A will be used to document monitoring findings. After the monitoring is completed, a letter along with Attachment A will be sent to the County Director of Social Services with the monitoring results. If the County disagrees with the monitoring results, they may submit a written appeal to James Clark within thirty (30) days from the date of the letter notifying the county of the monitoring results. If the county does not appeal follow-up will be conducted to insure items noted in the monitoring are corrected. If the county submits a written appeal, James Clark and the LBL will follow up with the county and work to resolve the county's concerns to insure the monitoring requirements are being maintained. When deficiencies have been resolved a new notice will be sent to the county noting that deficiencies have been corrected and Addendum to Attachment A will be attached documenting the actions completed.

The monitoring will consist of Administrative reimbursement from seven fund sources: FOOD and NUTRITION SERVICES, CHILD SUPPORT ENFORCEMENT, WORK FIRST (TANF funding for this monitoring are the Federal dollars in the Work First Block Grant), LIHEAP/CIP, FOSTER CARE TITLE IV-E ADMINISTRATION, ADOPTION ASSISTANCE IV-E ADMINISTRATION. and SOCIAL SERVICES BLOCK GRANT (SSBG) ADMINISTRATION. These fund sources are selected by their CFDA number as some of these have multiple coding options. This review will monitor how the county reported applicable cost for reimbursement only and will not monitor the individual client's eligibility.

The LBL will determine the staff sample for each county. The sample size will consist of 5% of staff for the specific program area reported on the DSS-1571, Part I or a minimum of five staff. If the 5% sample is less than five staff, then all staff in the specific program area will be reviewed. For example a specific program area has four staff Five percent (5%) of the four staff equals 0.20 of a position rounded to one staff person. The sample should include a minimum of five staff so in order to meet the requirement all four staff will be reviewed. Salaries and benefits reported on DSS-1571, Part I will be compared to the County payroll ledger or other supporting documents.

The monitoring consists of direct staff cost and purchased/contract or non direct staff cost. Direct staff cost are reported on Part I-A, B, or C of the DSS-1571. Purchased/contract or non direct Staff cost are reported on DSS-1571 Part II or IV. All cost reported on the DSS-1571 Part II or Part IV will require 100% review. Based on the monitoring month, a county may not have expenditures in the funding sources being monitored. If a county does not have any expenditures for a particular fund source it will be documented on Attachment A and considered compliant for this monitoring.

DOCUMENTATION OF MONITORING ACTIVITIES

Monitoring activities will be documented in the DHHS Program Monitoring System. The LBL will complete the DSS Budget Office Fiscal Monitoring Spreadsheet (Attachment A). This spreadsheet will be shared with appropriate Division staff and will be filed electronically on a shared file.

Any ensuing technical assistance required as a result of subrecipient monitoring activities shall be referred to the appropriate program representative for follow-up.

Copies of monitoring source documents including a copy of the DSS Budget Office Fiscal Monitoring Spreadsheet will remain in the county DSS files. In addition copies of pertinent information used during the monitoring of the program activities will remain in the County Department of Social Services.

SANCTION FOR NON-COMPLIANCE

This section describes the recourse NCDSS has when monitoring activities confirm the sub recipient is out-of-compliance with state and federal regulations based on the requirements of the type of financial assistance received as outlined in the program or grant agreement. If NCDSS suspects or determines that a subrecipient has failed to adhere to required guidelines, the following actions should be completed and documented as necessary: 1) Section/program staff should first make every effort to work with the sub recipient agency to identify and document problems, 2) plan steps to resolve them, and 3) monitor the results of corrective actions taken. If necessary, NCDSS will request assistance from the DHHS Controllers Office or from other appropriate external entities.

MONITORING REPORT AND CORRECTIVE ACTION

A written report is required on all On-Site Reviews. The report is due sixty (60) calendar days from the date of the review. The report must, at a minimum, include a summary of the monitoring findings; a list of findings for all documents reviewed; and corrective actions if necessary.

If a program in the local agency is found to be out of compliance, a corrective action plan must be developed geared toward program compliance. Reviewers are encouraged, where possible and practical, to develop any needed corrective action plan with county staff.

When a non-allowable cost finding is made, corrections must be made effective the month of monitoring. A correction must be made on the next DSS-1571 report. The error should be corrected from the review month forward. The county will maintain the necessary documentation to support any adjustments made as a result of the finding. In addition, the LBL will be notified when adjustments have been made.

Each Section will determine which programmatic staff will follow-up with counties to ensure corrective actions have been taken and evaluate whether the corrective actions have been successful.

If a Program Compliance Representative/Monitor suspects internal fraud, it will be reported to the Local Department of Social Services Director and the DSS Division Director. The Division will prepare an SBI Report and consult with the Internal Auditor and the Division of Budget and Analysis. In the event the Internal Auditor agrees that the Division's suspicions are well founded, the DHHS

Office of the Internal Auditor will coordinate an audit/investigation as deemed appropriate with the Office of State Auditor, internal staff, Federal authority, local law enforcement authorities, and/or the SBI.

UPDATING DSS MONITORING WEBSITE

Each LBL will enter the monitoring results/findings report into the monitoring website within eighty day of the county visit. Correction notices and Addendum to Attachment A will be posted when completed.

DSS Budget Office Fiscal Monitoring Spreadsheet

COUNTY: _____ LBL: _____

DATE: _____ Review month/year:

Programs (Food & Nutrition Services (FNS), Child Support (IV-D), TANF, Low Income Home Energy Assistance Program (LIHEAP), Foster Care Title IV-E Administration, Adoption Assistance Title IV-E Administration, Social Services Block Grant (SSBG) :

(If county does not operate Child Support or operated elsewhere in county government or contract, notate):

DSS-1571: Part I (Administrative Costs):

DSS-1571 payroll entries verified to general ledger

Comments/findings: _____

Direct Worker Certifications reviewed

Comments/findings: _____

Day Sheet Summary or other verification of staff time coded to FNS, LIHEAP/CIP, or IV-E eligibility

Comments/findings: _____

Percent of time report reviewed for minutes to Program Code R/TANF, LIHEAP/CIP (if reported on Part I B see day sheet summary), IV-E Foster Care Administration & IV-E CPS, IV-E Adoption Assistance, SSBG, State In-Home, TANF to SSBG

Comments/findings: _____

Staff coded properly to:

FNS: 64-14-B 65-14-B 65-16-B 65-11-B 64-09-B

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IV-E Adoption Assistance Administration: 38-12-A 38-13-A 99-14-A

SSBG Administration: 01-09-A 01-10-A 01-11-A 02-09-A 14-11-A 15-11-A
 17-11-A 18-11-A 39-11-A

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 19-13-A
 39-13-A 40-13-A 41-13-A 42-13-A 44-13-A 45-13-A 46-13-A

TANF to SSBG: 03-09-A

Comments/findings: _____

DSS-1571: Part II (Statement of Administrative Costs and Purchased Services):

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FNS code 031,087

Comments/findings (if county not E&T or no payments made, document):

IV-D:

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Comments/findings: _____

TANF:

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Comments/findings: _____

LIHEAP/CIP:

Reviewed all expenditures posted to Part II by correct code: 358, 372,379

Comments/findings: _____

IV-E Foster Care Administration and IV-E CPS

Reviewed all expenditures posted to Part II by correct code: 072, 074, 097, 230, 302, 363, 364, 431

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IV-E Adoption Assistance Administration:

Reviewed all expenditures posted to Part II by correct code: 095, 132, 133, 355, 364

Comments/findings: _____

SSBG Administration

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SSBG: 308, 321, 322, 323, 331, 332, 333 334, 345

State In-Home: 190, 331, 332, 333, 334, 335

TANF to SSBG: 050

Comments/findings: _____

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Verified fees are posted on 1571, reviewed by Fund ID 3

Comments/findings: _____

TANF: Part IV codes reviewed by Fund ID T or Y, unless program service code 351 is utilized.

Comments/findings: _____

Food and Nutritional Services: Part IV codes reviewed by Fund ID H or S.

Comments/findings: _____

LIHEAP/CIP: Part IV charges are not allowed.

Comments/findings: _____

IV-E Foster Care Administration and IV-E CPS Part IV codes reviewed by Fund ID R

Comments/findings: _____

IV-E Adoption Assistance Administration Part IV code by reviewed Fund ID: X

Comments/findings: _____

SSBG Administration Part IV Codes reviewed by Fund IDs: 3, 4, 7, 8, A, L, M, or P.

Comments/findings: _____

Scheduled Monitoring

County	LBL	FY 2011-2012 July 11-June 12	FY 2012-2013 July 12-June 13	FY 2013-2014 July 13-June 14
Alamance	JH	August-11		
Alexander	DS	August-11		
Alleghany	JH	October-11		
Anson	JH	October-11		
Ashe	DS	October-11		
Avery	DS	December-11		
Beaufort	PL			August-13
Bertie	PA	August-11		
Bladen	MH	August-11		
Brunswick	MH	October-11		
Buncombe	DS	April-12		
Burke	PA		July-12	
Cabarrus	PL	January-12		
Caldwell	DS		August-12	
Camden	MH		August-12	
Carteret	PL	November 11		
Caswell	JH	January-12		
Catawba	DS	April-12		
Chatham	HC		August-12	
Cherokee	PA	August-11		
Chowan	MH	February-12		
Clay	PA			August-13
Cleveland	PA		August-12	
Columbus	MH	January-12		
Craven	PL	February-12		
Cumberland	MH	April-12		
Currituck	MH		February-13	
Dare	PL	April-12		
Davidson	PL		August-12	
Davie	JH	April-12		
Duplin	PL		August-12	
Durham	HC	August-11		
Edgecombe	PL		November-12	
Forsyth	JH		August-12	
Franklin	HC	September-11		
Gaston	PA		October-12	
Gates	HC	November-11		
Graham	PA	August-11		
Granville	HC		October-12	
Greene	HC	October-11		
Guilford	JH		October-12	
Halifax	HC	December-11		
Harnett	MH		September-12	
Haywood	DS		October-12	
Henderson	PA		September-12	
Hertford	HC			August-13
Hoke	MH		October-12	
Hyde	PL		November-12	
Iredell	DS		December-12	
Jackson	PA	September-11		

Scheduled Monitoring (Continued)

Johnston	MH		December-12	
Jones	PL		February-13	
Lee	MH		April-13	
Lenoir	PL			March-114
Lincoln	PA		January-13	
Macon	PA			September-13
Madison	DS		April-13	
Martin	HC			October-13
McDowell	DS			August-13
Mecklenburg	HC	February-12		
Mitchell	DS			October-13
Montgomery	JH		April-13	
Moore	MH			August-13
Nash	HC			October-13
New Hanover	MH			October-13
Northampton	HC			February-13
Onslow	PL			Septemeber-13
Orange	HC		September -12	
Pamlico	PL	September-11		
Pasquotank	DS			August-13
Pender	PL		September-12	
Perquimans	DS			November-13
Person	HC			January-14
Pitt	PL		October-12	
Polk	PA		October-12	
Randolph	JH		January-13	
Richmond	JH			August-13
Robeson	MH			January-14
Rockingham	JH		April-13	
Rowan	DS			October-13
Rutherford	PA			November-13
Sampson	MH			April-14
Scotland	MH	December-11		
Stanly	MH			March -14
Stokes	JH			August-13
Surry	JH			October-13
Swain	PA	September-11		
Transylvania	PA		December-12	
Tyrrell	PL			February-14
Union	MH			June-14
Vance	HC		November-12	
Wake	HC	March-12		
Warren	HC	January-12		
Washington	PL		March-13	
Watauga	DS			January-14
Wayne	PL			March-14
Wilkes	JH			January-14
Wilson	JH	January-12		
Yadkin	JH			April-14
Yancey	DS			April-14

Section V
ECONOMIC AND FAMILY SUPPORT SERVICES
Process for Work First Monitoring of Local Government Program Subrecipients

Purpose

The purpose of this plan is to establish a formal monitoring process for Work First (North Carolina's TANF) Program. The following table lists the program to be monitored.

Program Area and Service to be monitored.

Area	Federal/State Compliance Number	Subrecipients to be monitored	SFY 2012 Projected Expenditures	Review Tool
Work First	93.558	Attachment 1	\$351,354,477.00	Attachment A-D

Work First

North Carolina's Work First Program is based on the premise that parents have a responsibility to support themselves and their children. Through Work First, parents can get short-term training and other services to help them become employed and self-sufficient, but the responsibility is theirs, and most families have two years to move off Work First Family Assistance. Work First emphasizes three strategies: Diversion, Work, and Job Retention. Work First Family Assistance is also provided for eligible children whose caretaker is not eligible for benefits themselves. Work First Family Assistance provides monthly financial assistance to help in meeting the basic needs of families with children such as food, shelter, etc.

Work First services are provided to families to improve their employability, to assist families to become employed, to retain employment, and to become self-sufficient. The services provided to families include education/training, employment services, childcare, transportation services, and retention services for the employed. These services provided to clients enable the state to meet its Work Participation Rates goals. Generally, these services are provided by a Work First employment worker and/or by other community agencies.

Supplement Number (Note A)	State Project/Program	Division If Applicable	Types of Compliance Requirements (Note B)														
			CC	A	B	C	D	E	F	G	H	I	J	K	L	N	M
93.558-3	Work First Program	DHHS-DSS	Y	Y	Y	Y	-	Y	Y	Y	Y	Y	Y	-	Y	Y	Y

Types of Compliance Requirements

CC	Crosscutting Requirements (see Section D)	D	Davis-Bacon Act	H/8	Period of Availability of Federal Funds	L/12	Reporting
A/1	Activities Allowed or Unallowed	E/5	Eligibility	I/9	Procurement and Suspension and Debarment	M/13	Subrecipient Monitoring
B/2	Allowable Costs/Cost Principles	F/6	Equipment and Real Property Management	J/10	Program Income	N/14	Special Tests and Provisions
C/3	Cash Management	G/7	Matching, Level of Effort, Earmarking	K/11	Real Property Acquisition and Relocation Assistance	15	Conflict of Interest

Notes

A. The presence of "CL" in the supplement number indicates that the program is a cluster. See the compliance supplement for composition of the cluster.

B. The presence of "Y" on the matrix indicates this type of compliance requirement may apply to the Federal program. The auditor should use Part 3 of Section A and the compliance supplements in Section B in planning and performing the tests of compliance required by state agencies. This is in addition to the requirements, if any, in the Federal Compliance Supplement reproduced in Section A.

The presence of a dash (-) indicates the program normally does not have activity subject to this type of compliance requirement. Auditors should determine the compliance requirements applicable to the program. The auditor is responsible for reviewing applicable laws, regulations, contract and grant agreements, notifications from awarding agencies and any other applicable documentation in order to determine compliance requirements that could have a direct and material effect on major programs.

Core Areas to be monitored

The OMB Circular A-133 specifies fourteen (14) areas of compliance monitoring. North Carolina has an additional requirement that policies prohibiting conflict of interest be reviewed for non-profit subrecipients. Depending on the program and type of funding, not all 14 core areas may be applicable to the funding source.

The core areas of compliance monitoring involve fiscal monitoring (i.e., review of financial statements and audit findings and internal control questionnaires) and program monitoring (i.e., determination of whether the eligibility criteria were met or review of the scope of work to see if the objectives of the contract have been met). Following is a brief description of each of the core areas:*

A/1: Activities Allowed or Unallowed: This requirement refers to specific activities identified in the grant agreement, contract, allocation, letters, policy manuals and state or federal regulations that are allowed or that may be unallowed. The purpose of this requirement is to provide reasonable assurance that State and Federal funds are used for the intended purposes.

B/2: Allowable Costs/Cost Principles: This requirement seeks to assure that the costs paid to the contractor are reasonable and necessary for the operation and administration of the program and that the subrecipient uses an acceptable method of allocating costs, including indirect costs.

C/3: Cash Management: This requirement is only applicable if the contractor receives an advance of funds from NCDSS of more than 60 days from when the funds would ordinarily be disbursed. In accordance with the DHHS Cash Management Policy, the Controller's Office is responsible for reviewing the cash needs of subrecipients that receive advances every three months to determine whether or not the advance represents more than a 60-day cash requirement.

D: Davis-Bacon Act: This requirement is not applicable to DHHS subrecipients. It is a federal law that applies to contractors with contracts for more than \$2,000 financed by federal dollars where laborers and mechanics are employed.

E/5: Eligibility: This requirement ensures that only those individuals and organizations that meet the eligibility requirements for receiving services or financial assistance from the program participate in the program. The eligibility requirement for an individual diagnosis, risk factors, medical necessity criteria, income, etc. Similarly, an organization may qualify to participate in a program based on the extent to which the type of program and the mission of the organization are consistent with the requirements of the funding source.

F/6: Equipment and Real Property Management: This requirement refers to tangible property that has a useful life of more than one year and costs more than \$5,000. Such equipment may only be purchased per the conditions of the approved contract or grant agreement.

G/7: Matching, Level of Effort, Earmarking: These requirements are specifically addressed in the grant documents, allocation letters, contracts and state or federal regulations.

Matching refers to the specific amount or percentage of funds the subrecipient is required to match the state or federal grant. The matching portion must be verifiable in the accounting records, incurred

during the period of the award, must not be used to meet the match of another program, allowable under cost principles, and derived from non-federal or non-state funds unless specifically authorized.

Level of Effort refers to the specific level of service that must be provided (e.g., the number of clients the subrecipient must serve) or a specified level of service (e.g., maintenance of effort) or the requirement that federal or state funds may only be used to supplement the non-state or non-federal funding of the service.

Earmarking refers to the requirement that an amount or percentage of a program's funding must be used for specific activities.

H/8: Period of Availability of Federal Funds: This requirement refers to the time period authorized for state and federal funds to be expended. State funds are authorized for the fiscal year (July 1 – June 30); however, NCDSS may allow a subrecipient to carry forward unexpended funds into the next fiscal year. Most federal funds allow additional time after the end of the grant period for obligations incurred during the grant period to be paid.

I/9: Procurement and Suspension and Debarment: This requirement assures that the subrecipient follows the state and federal policies and procedures for procurement, that the subrecipient has not been suspended or disbarred from receiving funding from the state or federal government, and that the subrecipient does not use federal funds to purchase goods or services costing more than \$100,000 from a vendor that has been disbarred by the federal or state government..

J/10: Program Income: The purpose of this requirement is to assure that program income is being used appropriately. This requirement refers to the gross income received by the subrecipient on activities, services, or goods purchased with state or federal funds. Program income may be used to provide matching funds when approved by the state or federal agency.

K/11: Real Property Acquisition and Relocation Assistance: This requirement does not apply to DHHS.

L/12: Reporting: Contract administrators are required to monitor the financial, performance and special reporting of the subrecipient in order to provide assurance that funds are being managed efficiently and effectively to accomplish the objectives of the program as specified in the compliance supplement, applicable laws and regulations, and contract or grant agreements.

M/13: Subrecipient Monitoring: Contract administrators are required to provide assurance that any NCDSS subrecipient that subcontracts with another agency monitors the agency with which the subrecipient subcontracts as specified in the compliance supplement for the funding source.

N/14: Special Tests and Provisions: Contract administrators must provide assurance that all special requirements found in the laws, regulations, or the provisions of the contract or grant agreement are monitored appropriately. Such special tests and provisions may relate to fiscal and/or programmatic requirements or may include actions that were agreed to as part of the audit resolution of prior audit findings or in corrective action plans identified as a result of monitoring reviews.

15: Conflict of Interest: This requirement applies to any private, non-profit entity eligible to receive state funds, either by General Assembly appropriation, or by grant, loan, or other allocation from a

State agency (S.L. 1993-321, Section 16 of the Appropriations Act). An agency official is required to sign a notarized copy of the policy before a contract is executed. Copies of the organization's attestation to the Conflict of Interest Policy is kept by the Contract Management & Development Team in the organization's file. The Division's Conflict of Interest Policy for Private Not-for Profit Agencies can be found in Attachment D.

The applicable compliance requirements for a funding source are outlined in the compliance supplement for the specific federal or state program. In cases where a program is funded by multiple funding sources, the funding source with the most stringent requirements would be the criteria used to monitor the program. The compliance supplement identifies those core areas, which at a minimum must be monitored. Monitors are not precluded from looking at additional areas as long as the minimum core areas are also examined. (See Attachment E for an overview of compliance requirements for each program for which NCDSS is the pass-through entity). Monitoring the compliance requirements helps to fulfill part of the intent of the Federal Financial Assistance Management Improvement Act of 1999 (i.e., to improve the effectiveness and performance of federal financial assistance programs).

*Note: With the exception of the Davis-Bacon Act (D) and the Conflict of Interest (15) requirement, the federal and state requirements are the same. The alphabetic code denotes how the federal requirement is referenced. The numeric code is the corresponding state code for that core area.

Monitoring Staff

The Economic and Family Services Section (EFSS,) has seven full-time positions identified as Work First Program Consultants whose duties include the responsibility to conduct monitoring for the Work First program. Work First Staff Performing Subrecipient Monitoring and Related Support Activities are identified below:

Lead Monitors	
Dean Simpson, Johnice Tabron	Economic and Family Services - Work First
Work First Program Consultants	
Area of Responsibility	
Carl Breazeale	Work First Program
Carol McConnell	Work First Program
Denise Knight	Work First Program
Diane Chavis	Work First Program
Emily Wilkins	Work First Program
Sybil Wheeler	Work First Program
Wendy Rachels	Work First Program

The Work First Program Consultants have the responsibility for conducting the Work First Eligibility Monitoring for the Work First Program in the state's 100 county departments of social services. The WFPC monitor specifically assigned counties that are outside of their geographical area of program consulting. The WFPC monitor their assigned counties through either an onsite visit or desktop monitoring. The frequency of the monitoring process is at least once a year for large and medium size counties and at least once every two years for small counties. North Carolina's large counties by program size are Cumberland, Forsyth, Guilford, Mecklenburg, and Wake. Medium size counties by program size are Cleveland, Durham, Gaston New Hanover, Pitt, Randolph and Robeson. All other counties in North Carolina are identified as small counties. Based on the criteria stated above, there are 51 counties that require Work First Eligibility Monitoring in the 2012 state fiscal year.

The graph below identifies the counties requiring monitoring during the 2012 state fiscal year and indicates the Work First Program consultant assigned to conduct the Work First Eligibility monitoring.

Work First Program Consultants (WFPC) Monitoring Responsibility for SFY 2012

COUNTY	MONITOR	COUNTY	MONITOR
Avery	Sybil	Hertford	Denise
Beaufort	Carl	Lenoir	Diane
Cabarrus	Sybil	Madison	Carol
Caldwell	Sybil	Martin	Denise
Camden	Emily	Mecklenburg	Diane
Caswell	Emily	Mitchell	Sybil
Cherokee	Carol	Montgomery	Diane
Chowan	Emily	Moore	Wendy
Clay	Carol	New Hanover	Diane
Cleveland	Carol	Pasquotank	Emily
Columbus	Diane	Pender	Carl
Craven	Carl	Pitt	Denise

COUNTY	MONITOR	COUNTY	MONITOR
Cumberland	Carl	Randolph	Wendy
Currituck	Emily	Richmond	Diane
Duplin	Carl	Robeson	Wendy
Durham	Carl	Rockingham	Wendy
Forsyth	Sybil	Sampson	Emily
Franklin	Carl	Stokes	Sybil
Gaston	Carol	Transylvania	Carol
Gates	Emily	Union	Diane
Granville	Carl	Wake	Denise
Greene	Emily	Warren	Denise
Guilford	Wendy	Wayne	Denise
Halifax	Denise	Yadkin	Sybil
Harnett	Denise	Yancey	Sybil
Haywood	Carol		

Monitoring Schedule

Fifty-one counties require Work First monitoring in SFY 2012. Each Work First Program Consultant (WFPC) will schedule monitoring activities for the counties that they are assigned to monitor for the 2012 SFY. The monitoring activity may take the form of site visits or desktop monitoring of case records. County DSS agencies will be notified prior to their monitoring. As stated above, the frequency of the monitoring process is at least once a year for large and medium size counties and at least once every two years for small counties.

Monitoring Tools

Standardized monitoring tools and instructions have been developed to monitor the above-mentioned program area. The monitoring tools currently in use are based on applicable laws and regulations that govern the Work First Program. The Work First Program Consultants and Division Management conduct a yearly review of the monitoring plan and the monitoring tools to ensure that both are current and consistent with the Work First Program Policy Manual, the North Carolina TANF State Plan, and the North Carolina Work Verification Plan. The specific monitoring tools and instructions currently in use are attached to this document.

Sample Size

With the passage of the Personnel Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) and the advent of welfare reform at the federal level, dramatic changes occurred in the national welfare system. Temporary Assistance to Needy Families (TANF), the federal block grant designed to turn the old welfare system into a program of temporary assistance by moving recipients into work and away from dependency, has drastically reduced caseload sizes in all of North Carolina's 100 counties.

Monitoring of the Work First program and eligibility determination and re-determination of monthly benefit payments has been ongoing by Work First Representatives since before the appointment of Work First monitors in SFY 2003-2004. The Work First Program Compliance Monitors assumed the

ongoing responsibility for the monitoring of all 100 counties each year with a review of at least 10, 15 or 20 cases per county size once a year. Monitoring occurred for both Work First Cash Assistance and Work First 200% Services benefits. These cases were selected randomly from the Data Warehouse system, and the cases reviewed varied as per the size of the county. In addition to this formal monitoring process, the Work First Representatives (WFR) routinely pull records from their assigned counties during scheduled site visits and assess the county's eligibility determination process.

In January 2005, the Work First monitors added a new dimension to the Work First monitoring process by developing a tool and procedures for monitoring Work First Cash Assistance cases in which the Child Support Enforcement agency requested a IV-D Non-Coop sanction. In order to determine compliance with the federal mandate to sanction individuals identified as "non cooperation" with the local child support office, the Work First Program Compliance Monitors selected a number of cases determined by county level from the IV-D NON COOP WITHOUT A IVD SANCTION report for the month of monitoring. If fewer cases were available on the IVD NON COOP WITHOUT A IVD SANCTION report than county levels indicate, the PCM selected all cases on the report up to the county level for monitoring. The number of cases reported on the DHREJA Work First Cases without at IV-D Sanction report, along with the county size, determined the number of cases pulled for IV-D Non Coop Sanction monitoring. Monitors pulled 10, 15, or 20 cases for each visit.

The Deficit Reduction Act of 2005 reauthorized the TANF Program and imposed stricter definitions of Work Eligible Individuals and countable work activities. Each state was required to develop a Work Verification Plan that outlines the State's internal controls for ensuring accurate documentation of compliance and accurate data reporting. The Work Verification Plan describes the internal controls designed to ensure established work verification procedures are being employed properly. Such controls include supervisory guidance, policy directives, and staff training plans, as well as quality assurance processes, such as monitoring procedures to ensure adherence to procedures by staff, providers, and contractors.

With the start of the 2007-2008 SFY, the Work First Monitors again expanded the Work First Monitoring process to include the monitoring of Employment Services records for Work Verification Compliance. The number of Work First Employment Services records to be monitored equaled the number of cash assistance cases pulled in each county.

When the Work First Compliance Monitoring expanded to double its original scope and size, the number of counties required to have site visits each year was reduced. The Work First Compliance Monitors still divided the state in half, based on the Work First Representatives assigned regions. One monitor covered the odd number regions (region 1, 3, 5, and 7) and the other monitor covered the even numbered regions (regions 2, 4, 6, and 8). Monitors kept their representative regions intact throughout the three year-monitoring process.

County Departments of Social Services (government subrecipients) are divided into three levels. These levels are fairly standardized across the Division of Social Services, have been in place for a number of years, and are used by other Sections in the Division for monitoring and reporting purposes. In January, 2010 The Economic and Family Services Section (EFSS,) made the decision to base the definition of a small, medium or large county for the Work First Program on the Work First caseload each county had as of January, 2010. This monitoring plan includes the list of counties by levels for the 100 DSS subrecipients.

The medium and large county case pull for eligibility monitoring has been decreased as indicated below. Work First Program Consultants monitor case records at all on-site consultations throughout the year.

SMALL COUNTIES	MEDIUM COUNTIES	LARGE COUNTIES
Cash Assistance Cases 10	Work First Cash Cases 10	Work First Cash Cases 15
Employment Services 10	Employment Services 10	Employment Services 15
200% Services Cases 10	200% Services Cases 10	200% Services Cases 15
IV-D Non-Coop Cases 10	IV-D Non-Coop Cases 10	IV-D Non-Coop Cases 15

In all categories, an over sample is drawn in order to have potential substitutes in the event that a case pulled for monitoring is found not applicable.

Process of Review & Corrective Action

The WFPC conducting the monitoring notifies the county of the sample of cases selected for review via email letter in advance of the monitoring event. The monitor instructs the county staff to pull all verifications necessary to confirm compliance with the funding criteria for the Work First Program. Site visit monitoring is preferable in order to facilitate a partnership with the county staff and to generate discussion regarding the process, expectations, and potential outcomes of the monitoring. However, under special circumstances, desktop monitoring may be substituted for on-site monitoring to ensure counties are monitored as required. For example, travel restrictions may necessitate desktop monitoring instead of on-site monitoring.

Onsite Monitoring – The WFPC conducting the monitoring selects a sample of cases to be read during each on-site monitoring visit to ensure complete and accurate documentation regarding client eligibility, appropriate payment level and compliance with all program requirements. An exit interview provides the opportunity for discussion regarding the results of the county monitoring process.

Desktop Monitoring – The WFPC conducting the monitoring selects a sample of cases to be read for the desktop monitoring process. Counties are requested to mail copies of case file documentation along with completed monitoring tools and other required documents for desktop monitoring to ensure complete and accurate documentation regarding client eligibility, appropriate payment level and compliance with all program requirements. The WFPC conducting the monitoring provides opportunities for discussion regarding the results of the county monitoring process through either conference calls or an on-site exit conference.

The WFPC conducting the monitoring reviews necessary documents and conducts any necessary interviews with subrecipient staff in order to complete the standardized review instrument for Work First Monitoring, according to instructions provided. The results of the monitoring process are documented in a written letter/notice for the subrecipient that identifies all strengths that were noted and any areas needing improvement or out of compliance for the Work First Program.

The WFPC conducting the monitoring sends a notification letter to the county within 30 days prior to the monitoring event informing the county of the date of the onsite review, cases selected for review, and the period under review. The same timeframe is used for desktop monitoring. The WFPC

conducting the monitoring determines the period under review as a selected month in the current State Fiscal Year (SFY). If a monitoring is scheduled for June 2010, the monitoring period is a month between July 2009 and June 2010. In most cases, the month being monitored is two months prior to the monitoring event. However, situations can arise that can make the monitoring event farther away than two months from the monitoring month. Should the date of a county's onsite monitoring change for any reason, the period and cases selected will remain the same. The WFPC conducting the monitoring submits a report of the findings from the monitoring event to the county DSS, the WFPC geographically assigned to the county the WFPC's supervisor, and Lead Monitor within 30 calendar days following the monitoring event.

These written reports include any instructions required for Program Improvement Plans, such as county responsible overpayments (CROPS), and/or instructions on how to file an appeal of the monitoring results. If the WFPC conducting the monitoring finds a non-compliance issue, the county is required to develop a Program Improvement Plan or file an appeal of the monitoring results within 30 days of the date of the letter/notice of results. When a county indicates no intention to appeal, the county has up to 30 days from receipt of the results letter from the WFPC conducting the monitoring regarding the monitoring, to determine the amount of the CROP(s), if any. In determining the amount of overpayment, the entire period of ineligibility must be included in the calculations, not just the period under monitoring review. This applies even if the period of ineligibility includes previous state fiscal years. For each CROP, the county must include the EPICS referral number, overpayment period, amount of overpayment, entry and closure dates. The county works in conjunction with its WFPC geographically assigned to the county to provide a Program Improvement Plan that addresses each error element and action taken to prevent reoccurrence, and submits it to

The county forwards the Program Improvement Plan and any required CROP documentation within the 30-day period following receipt of the county's monitoring results letter to the WFPC who conducted the monitoring, the WFPC geographically assigned to that county on an on-going basis and the WFPC Supervisor. The WFPC who conducted the monitoring receives the Program Improvement Plan and documentation that confirms entry of any CROP into EPICS. If the plan is acceptable, the WFPC who conducted the monitoring sends a letter to the county DSS accepting their Program Improvement Plan.

In the case of an appeal by the county of the monitoring results, the county department of social services submits an appeal request to the Work First Program Manager of the Economic and Family Services Section detailing the reason for the appeal within 30 days of the date of the written notification from the WFPC.

In October 2007, the North Carolina Department of Health and Human Services, Division of Social Services, implemented a protocol for collecting County Responsible Overpayments for cases found to be ineligible for IV-A (TANF) funding through the Work First Program monitoring process. This process is as follows:

- 1) If the Work First Lead Monitor upholds the monitoring findings, the county will determine the amount of the county responsible overpayment (CROP), if any, with the assistance of the WFPC geographically assigned to the county, if needed, within 30 days of the date of the appeal decision letter. For each CROP, the county must include the EPICS referral number, overpayment period, amount of overpayment, entry and closure dates. The county works in

conjunction with its WFPC to provide a Program Improvement Plan that addresses each error element and action taken to prevent reoccurrence. The county then submits the Program Improvement Plan to the to the WFPC who conducted the monitoring, and the WFPC assigned to that county on an on-going basis within 30 calendar days of the county's appeal results letter. If the appeal decision is in favor of the county, no follow-up will be necessary by the county.

- 2) The WFPC who conducted the monitoring files the county's Program Improvement Plan and all other monitoring documents in the county's Work First Monitoring file. The WFPC who conducted the monitoring maintains monitoring documentation in county files for audit purposes. Soft copies of the monitoring appointment letters, case selection worksheet, results letters, completion letters, and appeal response letters are filed on the G drive under the file Work First Monitoring, then by SFY and finally by county name.

Designated Economic and Family Services Section Management receive findings from the Single County Audits from the Local Business Liaisons (LBL) Supervisor. State auditors review monitoring activities and send their findings directly to the Economic and Family Services Section's designated management. In both of these instances, the Section Management reviews the findings in light of the program operations and roles and responsibilities of staff within the Section.

Follow-up for county action identified in the Program Improvement Plan resulting from a single county, state, or federal audit is the responsibility of the WFPC geographically assigned to the county. The WFPC is often involved in the state response, as many of these responses center around training and technical assistance to the county in the specific program rules of operation.

The designated Section Management collects documentation from the WFPC and the WFPC supervisor and uses this information to formulate the Division's response and that the finding has been fully addressed. Division management sends this documentation to the respective auditor when they request a report on the status of the prior year audit findings.

Subrecipients will be categorized as low, medium, or high risk based on results from:

- The data collected from monitoring activities
- Findings from the single county audit
- Findings and follow-up from any previous deficiencies and/or corrective action or Program Improvement Plans
- Complexity of the program and/or eligibility criteria
- Analysis of relevant evaluation data
- Prior experience with the subrecipient by Division staff (WFR's, Section consultants, etc.)
- Past experience with paybacks
- Evaluation of the "Subrecipient Self-Assessment of Internal Controls and Risks" completed annually by county Departments of Social Services
- Any other self assessment provided by the county or contract provider
- Any other relevant factors identified by the WFPC

Based on the determination of risk, the WFPC geographically assigned to the county may develop a schedule for more comprehensive monitoring for subrecipients determined to be high-risk while they remain high-risk. The WFPC may use increased frequency of on-site monitoring visits or desk

reviews, corrective action plans and progress reports, and/or expanded sample sizes to conduct more comprehensive monitoring for high-risk subrecipients.

Risk Levels

COUNTY SIZE	HIGH RISK	MEDIUM RISK	LOW RISK
Large County Errors	4	3	0-2
Medium County Errors	3	2	0-1
Small County Errors	2	1	0

Maintenance of Monitoring Documentation

Monitoring tools, relevant verification information, compliance findings, program improvement plans, and monitoring correspondence will be maintained in the Division’s Central Office in the Albemarle Building, 325 N. Salisbury Street, Raleigh, NC. The Division maintains the records according to the North Carolina Records Retention Policy. Work First Program Consultants have responsibility for the maintenance of monitoring documentation. The Work First Program Consultants develop a year-end report after completion of the SFY monitoring process. This report is located on the “G” drive and is titled “Econindp on HM 20fn/DSShq/Shared/Groups”.

A LIST OF COUNTIES BASED ON WORK FIRST CASELOAD SIZE

SMALL COUNTIES – Program Caseload size – 1 - 399

Alamance	Columbus	Johnston	Richmond
Alexander	Craven	Jones	Rockingham
Alleghany	Currituck	Lee	Rowan
Anson	Dare	Lenoir	Rutherford
Ashe	Davidson	Lincoln	Sampson
Avery	Davie	Macon	Scotland
Beaufort	Duplin	Madison	Stanly
Bertie	Edgecombe	Martin	Stokes
Bladen	Franklin	McDowell	Surry
Brunswick	Gates	Mitchell	Swain
Buncombe	Graham	Montgomery	Transylvania
Burke	Granville	Moore	Tyrell
Cabarrus	Greene	Nash	Union
Caldwell	Halifax	Northampton	Vance
Camden	Harnett	Onslow	Warren
Carteret	Haywood	Orange	Washington
Caswell	Henderson	Pamlico	Watauga
Catawba	Hertford	Pasquotank	Wayne
Chatham	Hoke	Pender	Wilkes
Cherokee	Hyde	Perquimans	Wilson
Chowan	Iredell	Person	Yadkin
Clay	Jackson	Polk	Yancey

Medium Size Counties – Program Caseload size 400 - 999

Cleveland	Pitt
Durham	Randolph
Gaston	Robeson
New Hanover	

Large Size Counties – Program Caseload size 1000 or more

Cumberland	Mecklenburg	Guilford
Forsyth	Wake	

WORK FIRST ELIGIBILITY MONITORING

CASH ASSISTANCE

County Name _____

<input type="checkbox"/> All Required elements Present <input type="checkbox"/> Problems Noted

Instructions: This form must be dated and signed by the Program Manager or Supervisor. Each question must be answered. This form may be annotated with additional information regarding eligibility as necessary (use comments section or attach additional information).

Case Head Name _____

CASE TYPE Single Parent 2 Parents Child Only Adult only

Work Code _____

Case ID # _____

Action taken prior to payment month being reviewed (i.e., application, review, change in situation) _____

Month being monitored: ____/____ -

Payment review period for month being monitored: ____/____ to ____/____

Payment Amt. \$ _____

Office of Civil Rights Verifications

- What was the applicant/recipient's stated language of preference at application or review? _____
- Did the applicant/recipient request or indicate a need for an interpreter? Yes No
- Was an interpreter provided to the applicant/recipient? Yes No N/A
- If No, Why not? _____
- Did the applicant/ recipient complete the DSS 10,001? Yes No
- Did the Interpreter/translator complete the DSS 10,001? Yes No
- Was the applicant/recipient asked, at application or review, if they wished to report any disabilities? Yes No
- What, if any, disabilities were disclosed? _____
- Was an informal assessment (Learning Needs Screening Tool, DSS-5327 or Emotional Health Inventory) offered? Yes No
- Was the Learning Needs Screening Tool (DSS-5327) completed? Yes No
- Was the Learning Needs Screening Tool Waiver (DSS-5330) signed? Yes No

- Was a formal assessment completed? (Was a referral made to Vocational Rehabilitation or other Qualified Professional)? Yes No
- Did the applicant/recipient indicate the need for any reasonable accommodations? Yes No
If Yes, what accommodations were requested? _____
- Were all accommodation requests able to be fulfilled? Yes No N/A
If No, what problems were encountered? _____

Non-Financial Eligibility

<p>1. Was each child living with a parent or step-parent in the monitoring month? [Section 112]</p> <p>➤ If this was a child only case, was the child living with an adult who meets the kinship rule or an adult who has legal custody or guardianship? [Section 112]</p> <p style="text-align: right;"><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A</p> <p>➤ If none of the above does the individual meet the requirements for temporary absence? [Section 112]</p> <p style="text-align: right;"><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A</p>	<p style="text-align: center;">Date</p> <hr/> <p><input type="checkbox"/> Statement at application only</p> <p><input type="checkbox"/> Collateral</p> <p><input type="checkbox"/> SSI Parent</p> <p><input type="checkbox"/> Other Relationship</p> <hr/> <p><input type="checkbox"/> Legal custody <input type="checkbox"/> Guardianship</p> <p><input type="checkbox"/> Birth Certificates <input type="checkbox"/> Other</p>
<p>2. Is each parent or stepparent who is <i>required</i> to be included in the case included? [Section 104]</p> <p>➤ If no, who is not included but should be?</p> <p style="text-align: right;"><input type="checkbox"/> Yes <input type="checkbox"/> No</p>	<p><input type="checkbox"/> Profile</p> <p><input type="checkbox"/> DSS-8124</p>
<p>3. Do all the children included in the case meet the age rule [Section 109]</p> <p>➤ If there is an 18 year old child included in the assistance has it been verified that the child is expected to graduate by age 19?</p> <p style="text-align: right;"><input type="checkbox"/> Yes <input type="checkbox"/> No</p>	<p><input type="checkbox"/> Birth Certificates</p> <p><input type="checkbox"/> Statement at application only</p>
<p>4. Is anyone who is included in the case fleeing prosecution or custody, or in violation of probation or parole requirements? [Section 104A]</p> <p>➤ Is the payment level correctly reduced?</p> <p style="text-align: right;"><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A</p>	<p><input type="checkbox"/> DSS 8228</p>
<p>5. Has anyone who is included in the case been convicted of a controlled substance felony? [Section 104A]</p> <p>➤ Is the payment level correctly reduced?</p> <p style="text-align: right;"><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A</p>	

➤ Is the individual who has been convicted of an H or I controlled substance felony meeting the requirements to be eligible?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
6. Is there signed documentation in the case record referencing answers to questions 4 and 5 above?	<input type="checkbox"/> Yes <input type="checkbox"/> No	▶ Date _____
7. Is there a child who is subject to the Family Cap? [Section 108]	<input type="checkbox"/> Yes <input type="checkbox"/> No	DOB on birth certificate _____
➤ If so, is that family cap child correctly coded in EIS?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
8. Has Residency been verified? [Section 108]	<input type="checkbox"/> Yes <input type="checkbox"/> No	Date _____ 2 Types of Verification <input type="checkbox"/> Yes <input type="checkbox"/> No
9. Does each family unit member have a social security number ? [Section 110] If yes, go to 8.	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Statement at application only <input type="checkbox"/> Copies in file? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Other verification _____
➤ For a child or adult with no social security number, has an application been made for one?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
➤ Which family members have no social security number and have not applied for one?		
10. Is each family unit member a US citizen ? [Section 111]	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Statement at application only <input type="checkbox"/> Birth Certificate <input type="checkbox"/> Other <input type="checkbox"/> INS Papers
➤ For children or adults who are not citizens, are they qualified immigrants?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
11. Has Identity been verified?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
12. Is (are) the adult(s) job/work registration code correct	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
13. Has each adult who is included been screened for potential substance abuse ? [Section 104B]	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	<input type="checkbox"/> Audit/DAST in file for each adult included <input type="checkbox"/> Yes <input type="checkbox"/> No Date _____
14. Is there a current Mutual Responsibility Agreement properly completed, signed and dated. [Section 103]	<input type="checkbox"/> Yes <input type="checkbox"/> No	Date _____ Signed by both Parents if applicable <input type="checkbox"/> Yes <input type="checkbox"/> No

15. Was the Job Quit Policy discussed	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	Date _____
16. Are all requirements being met for a minor parent included in the case? [Section 107]	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
17. How many months of the 12-month time limit has the family received? [Section 105] (Child under 12 months of age)	# Mos. _____ or N/A	<input type="checkbox"/> N/A Child Only case
18. How many months of the 24-month time limit has the family received? [Section 105] State Limit	# Mos. _____ or N/A	<input type="checkbox"/> N/A Child Only case
19. How many months of the Federal 5-year time limit has the family received? [Section 105]	# Mos. _____ or N/A	<input type="checkbox"/> N/A Child Only case

Financial Eligibility

20. Are the family's resources under the \$3,000 asset limitation? [Section 115]	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Statement at application (Section 104) <input type="checkbox"/> Bank, etc. <input type="checkbox"/> Other
21. Is there any countable income for the case? [Section 114]	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Statement <input type="checkbox"/> Tax return <input type="checkbox"/> Wage stubs <input type="checkbox"/> Other <input type="checkbox"/> OLV
22. Was the correct month's income used to calculate the review month's payment? [Section 114]	<input type="checkbox"/> Yes <input type="checkbox"/> No	
23. If appropriate, was the job bonus applied?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	

Sanctions

25. Does the record indicate that a sanction should have been applied for the review month? [Section 120]	<input type="checkbox"/> Yes <input type="checkbox"/> No	
24. Was the sanction [s] applied appropriately? [Section 120]	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	

Conclusion

- **Are all individuals included in the case eligible for WF Family Assistance?** Yes No
- If no, who is not eligible, and why? _____
- **Is the payment amount correct for the review month?** Yes No
- If the payment is not correct, why? _____

Comments and Corrective Action Needed:

- All Required Elements were present.**
- Problems noted:**

Program Manager/Supervisor		DATE	
Monitor		DATE	

WORK FIRST MONITORING TOOL

EMPLOYMENT SERVICES

County Name _____

- | |
|---|
| <input type="checkbox"/> All Required Elements Present
<input type="checkbox"/> Problems Noted |
|---|

Instructions: This form must be dated and signed by the **Program Manager or Supervisor**. Each question must be answered. This form may be annotated with additional information regarding eligibility as necessary (use comments section or attach additional information).

Participant's Name _____ **Case ID#:** _____

Individual ID#: _____ **Month Being Monitored** ____/____

Work Verification

Is (are) the adult(s) job/work registration code correct in the monitoring month? [Section 118,II] _____	<input type="checkbox"/> Yes <input type="checkbox"/> No	Code: _____ _____
Has the Assessment of Strengths and Needs (DSS-5298) been completed timely in evaluating the participant(s)?	<input type="checkbox"/> Yes <input type="checkbox"/> No	_____

List all open components, scheduled hours, completed hours and weeks keyed in EPIS for the month being monitored.

Component	Scheduled Hours	Completed Hours	Excused Hours	Holiday Hours	Total Hrs for Component
1.					
2.					
3.					

Does the activity meet the definition of the component code keyed? [6908]	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Are all completed hours keyed in EPIS correctly verified by time cards and/ or attendance reports in the record?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Does the MRA reflect the activities keyed in EPIS?	<input type="checkbox"/> Yes <input type="checkbox"/> No	If No, why?
Did the participant complete the MRA activities?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Was the check issued within 3 days of receiving supporting documentation?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Was good cause established for not completing the MRA activities?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Was the check held based on non-compliance with the stated MRA activities?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
<ul style="list-style-type: none"> For the Monitoring Month, Projected employment hours are documented by at least two-week check stubs or other employer-generated documentation of hours worked? Is the calculation correct? 	<input type="checkbox"/> Not Applicable <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable <input type="checkbox"/> Yes <input type="checkbox"/> No	

<ul style="list-style-type: none">• “FLSA” calculation of hours on file for AW and/or CS<ol style="list-style-type: none">1. Is calculation correct?2. Did the individual exceed the number of hours permitted by FLSA calculation:	<input type="checkbox"/> Not Applicable <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable <input type="checkbox"/> Yes <input type="checkbox"/> No	

<ul style="list-style-type: none"> • If the Job Search (JS) component is scheduled, did the individual register for work with ESC before beginning this activity? • If the JS hours are keyed as countable, was the reporting limited to four consecutive weeks? 	<input type="checkbox"/> Not Applicable <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable <input type="checkbox"/> Yes <input type="checkbox"/> No	
--	--	--

All Required Elements present

Problems noted:

Required signatures			
Program Manager/Supervisor		Date	
Monitor		Date	

WORK FIRST SERVICES MONITORING

FAMILIES OR NCP'S That Meet 200% OF POVERTY

County Name _____

<input type="checkbox"/> All Required Elements Present <input type="checkbox"/> Problems Noted

Instructions: This form must be dated and signed by the Program Manager or Supervisor. Each question must be answered. "NA" may be used only if it is offered as an option. This form may be annotated with additional information regarding eligibility as necessary (use comments section).

Case Head Name _____

Month Being Reviewed and Services Received in that Month: _____

County Case # _____ SIS ID # _____

Is the **original DSS-5027 signed and keyed** into SIS? Yes No If no, explain: _____
Is the Notice of Action Taken in Section C of the DSS-5027 completed correctly? Yes No

Office of Civil Rights Verifications

- What was the applicant/recipient's stated language of preference at application or review? _____
- Did the applicant/recipient request or indicate a need for an interpreter? Yes No
- Was an interpreter provided to the applicant/recipient? Yes No N/A
If No, why not? _____
- Did the applicant/recipient complete the DSS-10001? Yes No
- Did the interpreter/translator complete the DSS-10001? Yes No
- Was the applicant/recipient asked, at application or review, if they wished to report any disabilities? Yes No
What, if any, disabilities were disclosed? _____
- Was an informal assessment completed? (Learning Needs Screening Tool, DSS 5327 or Emotional Health Inventory) Yes No
- Was a formal assessment completed? (Was a referral made to Vocational Rehabilitation or other Qualified Professional?) Yes No

- Did the applicant/recipient indicate the need for any reasonable accommodations? Yes No If Yes, what accommodations were requested? _____
- Were all accommodation requests able to be fulfilled? Yes No N/A
If No, what problems were encountered? _____

Non-financial Eligibility (Check the type of case being reviewed.)

<input type="checkbox"/> Family with income at or below 200% of poverty		Method of Verification
1. Was each child living with a parent, specified relative, or legal custodian or guardian in the month being reviewed?	<input type="checkbox"/> Yes <input type="checkbox"/> No	▶ Statement Date _____ ▶ Collateral _____
2. Is each child age 17 or younger or 18 attending high school and expected to graduate by age 19? [Section 109]	<input type="checkbox"/> Yes <input type="checkbox"/> No	▶ Statement Certificates ▶ Other ▶ Birth
3. Is each person receiving services a US citizen ? [Section 111]	<input type="checkbox"/> Yes <input type="checkbox"/> No	▶ Statement Certificates ▶ Other ▶ Birth
➤ For children or adults who are not citizens, are they qualified immigrants?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	▶ INS Papers ▶ Other
➤ Which included individuals are not citizens or qualified immigrants?		
<input type="checkbox"/> Non-Custodial Parent of Work First Child		
4. Is the parent a non-custodial parent of a child who was a Work First recipient in the month being reviewed?	<input type="checkbox"/> Yes <input type="checkbox"/> No	▶ EIS Individual screen ▶ Other verification
5. Is the non-custodial parent a US citizen? [Section 111]	<input type="checkbox"/> Yes <input type="checkbox"/> No	▶ Statement Certificates ▶ Other ▶ Birth
➤ If not, is the non-custodial parent a qualified immigrant?	<input type="checkbox"/> Yes <input type="checkbox"/> No	Gross Income: \$

Financial Eligibility

6. Does the family or non-custodial parent have any earned or unearned income? [Section 114]	<input type="checkbox"/> Yes <input type="checkbox"/> No	<ul style="list-style-type: none"> ➤ Statement ➤ Tax Return ➤ Wage Stub ➤ Other _____
7. Is the total gross income at or below 200% of poverty for Monitoring year?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	Gross Income \$ _____

Service

8. Was the service(s) provided TANF allowable? 9. Was the family or non custodial parent eligible for TANF funded services? 10. Does the service provided meet the federal definition of assistance ? (WF 102 III.E.). 11. Was client notice provided and the case closed timely based on Section C on the 5027?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No	
---	---	--

Comments and Corrective Action Needed:

All Required Elements were present.
 Problems noted:

Required Signatures

Program Manager/Supervisor		Date	
Monitor		Date	

WORK FIRST MONITORING

CHILD SUPPORT NON-COOPERATION SANCTION

Instructions: Answer each question and provide information requested. The Program Manager or Supervisor must sign and date the tool.

County: _____ **Payee's Name** _____

Case ID # _____ **Payment Month Monitored:** _____

1	<p>Was the timely notice (DSS-8110) sent within 10 days of the Work List View Date?</p> <ul style="list-style-type: none"> • Work List View Date as displayed on DHREJ Non-Cooperation without Sanction Report _____ • Date the DSS-8110 was mailed (manual notice) or keyed (automated notice) _____ 	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>
2	<p>Was the sanction imposed for a minimum of one month or until compliance?</p> <p>If no, why not: _____</p> <p>Child only cases only: If a sanction was not imposed because the caretaker cooperated during the timely notice period, what was the date of cooperation displayed in EIS? _____</p> <p>WFB cases only: Was the check for the month of non-cooperation frozen? _____</p> <p>Was individual termination of the non-cooperating parent processed after expiration of the timely notice? _____</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>
3	<p>What was the date the sanction took effect? _____</p> <p>Was the sanction imposed for the correct month? _____</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>

All required actions were completed correctly and timely.

Problems noted:

**Program Manager or
Supervisor Signature** _____

Date _____

Monitor Signature _____

Date _____

FOOD AND NUTRITION SERVICES PROGRAM MANAGEMENT EVALUATION PLAN:

I. INTRODUCTION

The Economic Services Section is responsible for Food and Nutrition Services, Refugee Assistance Programs, and the Low Income Energy Assistance (LIEAP) and Crisis Intervention (CIP) Program components of the Low Income Heating Energy Assistance Program (LIHEAP) Block Grant. Each federally funded program has different compliance requirements for program and fiscal accountability. This plan provides guidance and direction for Economic Services staff in monitoring program requirements at local Departments of Social Services. Staff will conduct interviews of local office staff, FNS applicants/participants and community organizations; review case files; and observes local office operations.

Access to Food and Nutrition Services Program benefits by eligible applicants or ongoing participants is one of the highest priorities set by the Food and Nutrition Service, USDA. Improving program access helps to increase food security among low-income, eligible persons.

Economic Services Staff Performing Sub recipient Monitoring & Related Support Activities	
Staff Person	Area of Responsibility
Lead Monitor-Programs Compliance Representative	
	Food and Nutrition Services, Low Income Energy Assistance-LIEAP and CIP, FNS Nutrition Education
Food and Nutrition Services and Energy Programs Consultants	
Gale Bullard	Food and Nutrition Services, Low Income Energy Assistance-LIEAP and CIP, FNS Nutrition Education
Alice Smith	
Robert Cox	
Policy Consultants	
Tonette Bennett	Food and Nutrition Services, Low Income Energy Assistance-LIEAP and CIP, FNS Nutrition Education
Shelia Dorsett	
Erica Jennings	
Kathy Evans	Food and Nutrition Services Employment and Training
Support Staff	
Elaine Douglas	FNS, LIEAP and CIP, FNS Employment & Training, FNS Nutrition Education, Refugee Assistance

Below is a brief description of the Program Areas and Services to be monitored by the Economic Services section during the state fiscal year:

Food and Nutrition Services

The Food and Nutrition Services Program provides cash like benefits for eligible low-income individuals and families to use to purchase nutritious food. Benefits are based on family size and income. Benefits are made available monthly via an Electronic Benefits Transfer (EBT) card. Food and Nutrition Services benefits are accessed through the 100 local county Departments of Social Services. After applicants are determined eligible to receive benefits by their respective county Departments of Social Services; they are issued an EBT (Electronic Benefits Transfer) card to purchase food.

Low Income Home Energy Assistance Program-LIEAP

LIEAP is a one-time cash payment to help eligible households pay heating bills. The amount of the check is dependent on the household's total countable income when compared to the poverty level. Households that meet all other eligibility factors with income between 0% - 65% of the poverty level will receive the higher payment, households with income 66% - 130% of the poverty level will receive the lower payment. Walk-in applications are taking through county Departments of Social Services. Payments are issued by the county as a direct vendor payment.

Low Income Home Energy Assistance Program-CIP

CIP is part of the Low Income Home Energy Assistance Program (LIHEAP) Block Grant. Applicants apply for CIP funds to alleviate a heating or cooling-related crisis. Households can receive up to \$600 per state fiscal year.

Refugee Assistance

The goal of the RAP program is to enable refugees and other specific immigrants achieve economic self-sufficiency as soon as possible by providing them with intensive, refugee-specific public assistance and refugee social services. The NC Refugee Assistance Program is federally funded by the US Department of Health and Human Services Office of Refugee Resettlement via formula funding for the three components, Refugee Cash Assistance (RCA), Refugee Medical Assistance (RMA) and Refugee Social Services (RAP-SS). Refugee Assistance Program benefits include transitional cash and medical assistance, health screening benefits, and a wide variety of social services, provided locally by either the local Departments of Social Services or private, non-profit agencies under contract with the State of North Carolina. The primary focus is early economic self-sufficiency for the family via employment services such as English Language and vocational skills training, job development and placement, orientation to the workplace and cultural orientation. It is crucial that employment occur as soon as possible after arrival in the US, as it leads not only to, but adds greatly to the integrity of families who seek to establish themselves in a new country and provide for their own needs. The purpose of the Refugee Cash and Medical Assistance program is to provide time-limited cash and medical assistance to refugees.

Core Areas to be monitored

The OMB Circular A-133 specifies fourteen (14) areas of compliance monitoring. North Carolina has an additional requirement that policies prohibiting conflict of interest be reviewed for non-profit sub recipients. Depending on the program and type of funding, all 14-core areas may not be applicable to the funding source.

The core areas of compliance monitoring involve fiscal monitoring (i.e., review of financial statements and audit findings and internal control questionnaires) and program monitoring (i.e., determination of whether the eligibility criteria were met or review of the scope of work to see if the objectives of the contract have been met).

Following is a brief description of each of the core areas:*

A/1: Activities Allowed or Unallowed: This requirement refers to specific activities identified in the grant agreement, contract, allocation, letters, policy manuals and state or federal regulations that are allowed or that may be unallowed. The purpose of this requirement is to provide reasonable assurance that State and Federal funds are used for the intended purposes.

B/2: Allowable Costs/Cost Principles: This requirement seeks to assure that the costs paid to the contractor are reasonable and necessary for the operation and administration of the program and that the sub recipient uses an acceptable method of allocating costs, including indirect costs.

C/3: Cash Management: This requirement is only applicable if the contractor receives an advance of funds from NCDSS of more than 60 days from when the funds would ordinarily be disbursed. In accordance with the DHHS Cash Management Policy, the Controller's Office is responsible for reviewing the cash needs of sub recipients that receive advances every three months to determine whether or not the advance represents more than a 60-day cash requirement.

D: Davis-Bacon Act: This requirement is not applicable to DHHS sub recipients. It is a federal law that applies to contractors with contracts for more than \$2,000 financed by federal dollars where laborers and mechanics are employed.

E/5: Eligibility: This requirement ensures that only those individuals and organizations that meet the eligibility requirements for receiving services or financial assistance from the program participate in the program. The eligibility requirement for an individual diagnosis, risk factors, medical necessity criteria, income, etc. Similarly, an organization may qualify to participate in a program based on the extent to which the type of program and the mission of the organization are consistent with the requirements of the funding source.

F/6: Equipment and Real Property Management: This requirement refers to tangible property that has a useful life of more than one year and costs more than \$5,000. Such equipment may only be purchased per the conditions of the approved contract or grant agreement.

G/7: Matching, Level of Effort, Earmarking: These requirements are specifically addressed in the grant documents, allocation letters, contracts and state or federal regulations.

Matching refers to the specific amount or percentage of funds the sub recipient is required to match the state or federal grant. The matching portion must be verifiable in the accounting records, incurred during the period of the award, must not be used to meet the match of another program, allowable under cost principles and derived from non-federal or non-state funds unless specifically authorized.

Level of Effort refers to the specific level of service that must be provided (e.g., the number of clients the sub recipient must serve) or a specified level of service (e.g., maintenance of effort) or the requirement that federal or state funds may only be used to supplement the non-state or non-federal funding of the service.

Earmarking refers to the requirement that an amount or percentage of a program's funding must be used for specific activities.

H/8: Period of Availability of Federal Funds: This requirement refers to the time period authorized for state and federal funds to be expended. State funds are authorized for the fiscal year (July 1 – June 30); however, NCDSS may allow a sub recipient to carry forward unexpended funds into the next fiscal year. Most federal funds allow additional time after the end of the grant period for obligations incurred during the grant period to be paid.

I/9: Procurement and Suspension and Debarment: This requirement assures that the sub recipient follows the state and federal policies and procedures for procurement, that the sub recipient has not been suspended or disbarred from receiving funding from the state or federal government, and that the sub recipient does not use federal funds to purchase goods or services costing more than \$100,000 from a vendor that has been disbarred by the federal or state government.

J/10: Program Income: The purpose of this requirement is to assure that program income is being used appropriately. This requirement refers to the gross income received by the sub recipient on activities, services or goods purchased with state or federal funds. Program income may be used to provide matching funds when approved by the state or federal agency.

K/11: Real Property Acquisition and Relocation Assistance: This requirement does not apply to DHHS.

L/12: Reporting: Contract administrators are required to monitor the financial, performance and special reporting of the sub recipient in order to provide assurance that funds are being managed efficiently and effectively to accomplish the objectives of the program as specified in the compliance supplement, applicable laws and regulations, and contract or grant agreements.

M/13: Sub recipient Monitoring: Contract administrators are required to provide assurance that any NCDSS sub recipient that subcontracts with another agency monitors the agency with which the sub recipient subcontracts as specified in the compliance supplement for the funding source.

N/14: Special Tests and Provisions: Contract administrators must provide assurance that all special requirements found in the laws, regulations, or the provisions of the contract or grant agreement are monitored appropriately. Such special tests and provisions may relate to fiscal and/or programmatic requirements or may include actions that were agreed to as part of the audit resolution of prior audit findings or in Program Improvement Plans identified as a result of monitoring reviews.

15: Conflict of Interest: This requirement applies to any private, non-profit entity eligible to receive state funds, either by General Assembly appropriation, or by grant, loan or other allocation from a State agency (S.L. 1993-321, Section 16 of the Appropriations Act). An agency official is required to sign a notarized copy of the policy before the contract is executed. Copies of the organization's attestation to the Conflict of Interest Policy is kept by the Contract Management & Development Team in the organization's file. The applicable compliance requirements for a funding source are outlined in the compliance supplement for the specific federal or state program. In cases where a program is funded by multiple funding sources, the funding source with the most stringent requirements would be the criteria used to monitor the program. The compliance supplement identifies those core areas, which at a minimum must be monitored. Monitors are not precluded at looking at additional areas as long as the minimum core areas are also examined. Monitoring the compliance requirements helps to fulfill part of the intent of the Federal Financial Assistance Management Improvement Act of 1999 (i.e. to improve the effectiveness and performance of federal financial assistance programs).

Note: With the exception of the Davis-Bacon Act (D) and the Conflict of Interest (15) requirement, the federal and state requirements are the same. The alphabetic code denotes how the federal requirement is referenced. The numeric code is the corresponding state code for that core area

II. MANAGEMENT EVALUATION OBJECTIVES

- Identify barriers to program access at the local office level
- Provide technical assistance to local offices to eliminate or minimize the barriers
- Promote a partnership with the State agency and the local offices to further improve program access for Food and Nutrition Services applicants and participants

III. OVERVIEW OF REVIEW ELEMENTS

A. CLIENT SERVICES

Local Office Operations

- Food and Nutrition Services applicants are not subject to additional application or application processing requirements beyond the Food and Nutrition Services Act of 1977, as amended, Federal regulations or FNS-approved waivers
- The hours of operation and location of the local office serve households including those with special needs as applicable
 - Elderly and/or disabled households
 - Homeless households
 - Non-English speaking households
 - Working households
 - Households in rural areas or located on reservations

Availability of Applications

- Applications are freely available to potentially eligible clients and to anyone who asks for one
- Applications are mailed to households on the same day they contact the Food and Nutrition Services office by phone or letter

Availability of Bilingual Staff/Services/Materials

- If required for the project area in which the local office is located, informational materials, staff/interpreters, and certification materials are provided by the local office in the appropriate languages

Level of Caseworker Services

- Case workers are generally able to handle FNS responsibilities for the cases assigned to them on a timely basis
- Complaints that have been made by clients or advocates concerning poor customer service by case workers are resolved
- The local office is responsive to clients when they need to communicate information or ask questions related to their application or case

Local Office Program Access Initiatives

- Have any practices been initiated that have led to improved program access for applicants/clients? Describe any new practices and the problems or barriers the practices are designed to address.
- Were the improvements initiated by the State agency or local agency?
- Does the local office participate in any meetings with advocates or community organizations to discuss program access? Describe the meetings – dates, participants, and outcomes.

B. APPLICATION SUBMISSION AND SCREENING

Application Submission

- The local agency accepts applications submitted in person, through an authorized representative, by fax, by other electronic transmission, by mail, or online (if available)
- The local agency documents the date an application is received
- Households are permitted to file an application on the same day they contact the Food and Nutrition Services office during office hours. The local agency begins processing the application upon receipt of an application (paper or digital) that contains a name, address, and signature
- The local agency posts a notice of the right to file an application for Food and Nutrition Services benefits that includes: an explanation of the application processing standards and the right to file an application on the date of initial contact
- If a household withdraws its application, the local office:
 - Confirms the withdrawal and record in the case file the withdrawal and the reason if provided by the household;
 - Advises the household of the right to reapply at any time; and

- Provides assistance in completing verification if the household cooperated but failed to provide required documents.

Application Screening

- Applicants are screened for eligibility for expedited service at the time assistance is requested.
- Households are informed that they can apply without an interview.
- Households are informed that they may submit an application that contains only the name, address, and signature of a responsible household member or an authorized representative.
- Households are encouraged to apply when they first contact the office requesting food assistance or expressing concern about food insecurity.
- Households are informed that receiving Food and Nutrition Services does not affect other programs' time limits.
- If a person contacts the wrong Food and Nutrition Services office, the local office gives the correct the address and phone number.
- If a person submits an application with sufficient information (i.e., name, address, and signature) to the wrong office, the local office offers to send the application to the correct office so that it will arrive the same day or the next day. The local office tells the applicant that application processing begins when the application arrives at the correct office.

Online Application Interface with Local Office (If applicable)

- When applying online, do applicants experience any barriers or delays as a result of any activities, processes, systems, or procedures occurring at the local office?
- What assistance, if any does the local office provide applicants, including those who are visually impaired and those with limited English proficiency (LEP), who use the online application?

C. APPLICATION PROCESSING AND CASE MANAGEMENT (APPLICATIONS, RECERTIFICATIONS, DENIALS, and TERMINATIONS)

Interview procedures

- An interview is scheduled if a household cannot be interviewed on the same day the application is submitted.
- When scheduling an interview, the local office:
 - Explains that the interview can be conducted by phone if the household has a hardship and is unable to come into the office (based on State agency policy)
 - Exempts households from face-to-face interviews on a case-by-case basis and documents the reason for the exemption in the case file
 - Grants a face-to-face interview if requested by the applicant
 - Schedules interviews to accommodate applicants with special needs, including those who work or need translator/interpreter services, to the extent possible
 - Schedules interviews so that eligible households may participate within 30 days of the application filing date
- When conducting an interview, the local office:
 - Conducts the interview as an official discussion of the household's circumstances, ensuring the privacy and confidentiality of the interview and resolving any unclear

- or incomplete information
- Advises households of their rights and responsibilities, including appropriate application processing standards and responsibility for reporting changes
- Permits the household to bring another person to the interview (or authorizes a representative for that purpose in writing and documents the case file with this information)
- Advises households that receipt of Food and Nutrition Services benefits is not affected by PA requirements, such as time limits for participation.
- If a household misses the interview, the local office:
 - Sends a notice of missed interview (NOMI) to the household that explains that the household is responsible for rescheduling the interview
 - Schedules a second interview during the 30-day application processing period if requested by the household and prorates benefits to the date of application if the household is determined eligible based on the application and rescheduled interview.

Federal Application Timeliness Standards:

- Benefits are provided by the 7th day following the application filing date for households eligible for expedited service.
- For all other eligible households who do not qualify for expedited service, benefits are provided by the 30th day following the application date.
- If the State or local office causes a delay in certifying an eligible household, the household notified of the delay and told what action the household must take to receive benefits.
- If determined eligible during the second 30-day period, the household is certified back to the month of application for agency-caused delays.
- When eligibility is not determined by the 60th day after application filing and the household is determined eligible to receive benefits, households are:
 - Certified back to the month of application if the State/local office causes the delay
 - Certified back to the month following the application month if the delay is shared by the household and the State/local agency
 - Notified of the actions the State/local office is taking when eligibility cannot be determined

Verification

- For households entitled to expedited service, the local office:
 - Verifies the applicant's identity
 - Postpones other required verification if necessary to meet the 7-day expedited processing requirement
- Households have at least 10 days to provide verification; they are told when the verification is due and what time period the verification covers, and they are given examples of acceptable documentation.
- Regarding verification of social security numbers (SSNs), the State agency/local office:
 - Submits the household SSNs to the Social Security Administration (SSA) based on SSA procedures
 - Issues benefits on time even if the SSNs of an otherwise eligible household have

- not been verified
 - Permanently annotates the case file with verified SSNs, so verification is not required again
 - Requires households to provide their SSN, rather than requiring households to show their SSN cards
- The local office accepts documents that reasonably establish residency and identity. (Specific documents, such as birth certificates to verify identity, are not required for Food and Nutrition Services purposes.)
- The local agency assists cooperating households obtain verification. Households are not required to present verification in person.

Notices

- The local agency correctly issues appropriate notices to households when required on a timely basis.
- Depending on household circumstances, the following notices are typically found in the case file (paper or electronic):
 - Notice of Eligibility (for normal 30-day processed applications)
 - The notice must:
 - ❖ Identify the amount of allotment
 - ❖ Explain the benefit amount if the notice covers more than one month
 - ❖ Identify the beginning and ending of the certification period
 - ❖ Explain fair hearing rights
 - ❖ Provide the name of the case worker to contact and the telephone number of the Food and Nutrition Services office
 - ❖ If available, identify the organization that provides free legal services
 - ❖ Be provided no later than 30 days after the date of initial application
 - Notice of Eligibility (for applications processed under expedited service)
 - The notice must:
 - ❖ Explain that the household must provide verification
 - ❖ Explain certification periods and consequences of failure to provide verification and be issued within 7 days.
 - Notice of Denial
 - The notice must:
 - ❖ Explain the reason for the denial
 - ❖ Provide the telephone number of the Food and Nutrition Services office
 - ❖ Explain the household's right to request a fair hearing
 - ❖ If available, identify the organization that provides free legal services
 - ❖ Be sent not later than 30 days from the application filing date.
 - Notice of Pending Status
 - The notice must:
 - ❖ Inform the household that its application has not been completed and is still being processed
 - ❖ Explain what action the household must take and that its application will be

denied if the household fails to take the required action by a specific date, which, based on State option, could be within 60 days of the date the application was filed or 30 days following the date verification was first requested

- ❖ Be sent 30 days after the application filing date
- Notice of Required Verification
 - The notice must:
 - ❖ Inform the household of the verification requirements the household must meet;
 - ❖ Be written in clear and simple language
 - ❖ Meet LEP requirements;
 - ❖ Explain the period of time the verifications should cover;
 - ❖ Provide a due date and examples of the types of documents that would be acceptable
 - ❖ Explain the State agency's responsibility to help the household obtain required verification if the household is cooperating
 - ❖ Be provided at the time of application and recertification
- Notice of Missed Interview
 - ❖ At application, the notice must:
 - Inform applicants that they missed their scheduled interview and that they are responsible for contacting the local office to reschedule the interview
 - Be sent prior to the Notice of Denial
 - ❖ At reapplication, the notice must:
 - Inform applicants that they missed their scheduled interview and that they are responsible for contacting the local office to reschedule the interview
 - May be combined with the Notice of Denial
- Notice of Adverse Action
 - ❖ The notice must:
 - Explain the proposed action and the reason for the action
 - Provide a toll-free telephone number and, if possible, the name of a contact
 - Explain the fair hearing process, the continuation of benefits at the higher level if a fair hearing is requested, and the liability for overissuances if the fair hearing decision upholds the State agency
 - The availability of free legal representation, if available
 - Be sent at least 10 days prior to the proposed action
- Notice of Expiration
 - ❖ The notice must:
 - Be sent before the first day of the last month of the certification period;
 - Provide the date the certification period expires
 - Provide the date by which the household must reapply in order to receive uninterrupted benefits
 - Explain the consequences of failure to apply for recertification in a timely manner

- Notice of Termination (Note: this is for households subject to monthly reporting and retrospective budgeting)
 - ❖ The notice must:
 - Explain the proposed action and the reason for the action
 - Provide a toll-free telephone number and, if possible, the name of a contact
 - Explain the fair hearing process, the availability of continued benefits if a fair hearing is requested, and the liability for over issuances if the fair hearing decision upholds the State agency
 - Explain how benefits may be reinstated if this option is available
 - Be received by the household no later than the date benefits would be issued

- Interface with TANF, Medicaid, and Other State Assistance Programs
 - ❖ Households applying for TANF are notified of their right to apply for Food and Nutrition Services at the same time
 - ❖ Except for categorically eligible households, applications for Food and Nutrition Services processed based on FNS criteria
 - ❖ If TANF redetermination is untimely, categorical eligibility for Food and Nutrition Services benefits assumed
 - ❖ For purposes of work registration, FNS exemptions applied to individuals in categorically eligible households
 - ❖ For households applying simultaneously for SSI and Food and Nutrition Services, Food and Nutrition Services eligibility is treated as NPA until categorical eligibility has been determined
 - ❖ If the State agency opts to apply a TANF (or other means-tested program) sanction to a TANF/FNS household, the sanction is extended only to the individual who violated the TANF (or other means-tested program) requirement and not the entire Food and Nutrition Services household

IV. PLANNING THE REVIEW

SELECTING LOCAL OFFICES

The United States Department of Agriculture, Food and Nutrition Service (USDA-FNS) requires a county level review of the management of the Food and Nutrition Services Program on a prescribed schedule. Areas covered by the review include timeliness of application and review processing, program access, customer service, compliance with civil rights laws, including Americans with Disabilities (ADA), employment and training activities, claims, payment accuracy, and Nutrition Education programs.

Reviews are scheduled according to the size of the Food and Nutrition Services caseload in the county, with the largest (caseload in excess of 15,000) being reviewed every year, the next largest every two years (caseload from 6,000 to 14,999) and the small counties every three years (caseload below 6,000). The review period runs from October through September each year. In FFY 11/12, reviews will be conducted in Thirty-one (31)

counties using the following schedule:

Large Counties	Management Evaluations			
	FFY 11 10/10 to 9/11	FFY 12 10/11 to 9/12	FFY 13 10/12 to 9/13	FFY 14 10/13 to 9/14
BUNCOMBE	X	April 2012	X	X
CUMBERLAND	X	March 2012	X	X
DURHAM	X	April 2012	X	X
FORSYTH	X	May 2012	X	X
GASTON	X	March 2012	X	X
GUILFORD	X	June 2012	X	X
MECKLENBURG	X	August 2012	X	X
ROBESON	X	August 2012	X	X
WAKE	X	June 2012	X	X
Total	9	9	9	9

Management Evaluations				
Medium Counties	FFY 11 10/10 to 9/11	FFY 12 10/11 to 9/12	FFY 13 10/12 to 9/13	FFY 14 10/13to 9/14
ALAMANCE	X		X	
BRUNSWICK		June 2012		X
BURKE		March 2012		X
CABARRUS		June 2012		X
CALDWELL		March 2012		X
CATAWBA		February 2012		X
CLEVELAND	X		X	
COLUMBUS		November 2011		X
CRAVEN	X		X	
DAVIDSON	X		X	
EDGECOMBE	X		X	
HALIFAX	X		X	
HARNETT	X		X	
IREDELL		November 2011		X
JOHNSTON		February 2012		X
LENOIR	X		X	
NASH	X		X	
NEW HANOVER	X		X	
ONslow	X		X	
PITT	X		X	
RANDOLPH	X		X	
RICHMOND		May 2012		X
ROCKINGHAM		January 2012		X
ROWAN	X		X	
RUTHERFORD		February 2012		X
SAMPSON		May 2012		X
SURRY		January 2012		X
UNION		May 2012		X
VANCE	X		X	
WAYNE	X		X	
WILKES	X		X	
WILSON	X		X	
Total	15	14	18	14

Management Evaluations				
Small Counties	FFY 11 10/10 to 9/11	FFY 12 10/11 to 9/12	FFY 13 10/12 to 9/13	FFY 14 10/13 to 9/14
ALEXANDER		February 2012		
ALLEGHANY			X	
ANSON			X	
ASHE			X	
AVERY	X			X
BEAUFORT			X	
BERTIE	X			X
BLADEN	X			X
CAMDEN			X	
CARTERET		March 2012		
CASWELL	X			X
CHATHAM	X			X
CHEROKEE			X	
CHOWAN			X	
CLAY	X			X
CURRITUCK			X	
DARE			X	
DAVIE	X			X
DUPLIN			X	
FRANKLIN		February 2012		
GATES			X	
GRAHAM			X	
GRANVILLE		February 2012		
GREENE			X	
HAYWOOD			X	
HENDERSON			X	
HERTFORD		April 2012		
HOKE		November 2011		
HYDE			X	
JACKSON	X			X
JONES	X			X
LEE			X	
LINCOLN			X	
MACON		May 2012		
MADISON		April 2012		
MARTIN			X	

MCDOWELL			X	
MITCHELL			X	
MONTGOMERY		February 2012		
MOORE		November 2011		
NORTHAMPTON		March 2012		
ORANGE			X	
PAMLICO			X	
PASQUOTANK	X			X
PENDER			X	
PERQUIMANS	X			X
PERSON			X	
POLK			X	
SCOTLAND		June 2012		
STANLY			X	
STOKES			X	
SWAIN	X			X
TRANSYLVANIA		May 2012		
TYRRELL	X			X
WARREN	X			X
WASHINGTON	X			X
WATAUGA			X	
YADKIN		November 2011		
YANCEY	X			X
Total	18	14	29	16

PREPARING FOR THE REVIEW

- Provide formal notification to the Local agency of the upcoming review. Relevant information about the review, such as dates of the review, purpose of the review, and identification of the FNS review team should be communicated in writing to the Local office well in advance of the review. As discussed below, other more specific information can be provided in this letter, a second letter, or communicated via telephone conference call.
- Request specific information from the local office. Obtain as much information about the local office as possible prior to the review. This will save time during the on-site portion of the review. This information can be gathered during the telephone entrance conference or during another conference call prior to the fieldwork.

Local Office Survey

- Logistics –office name, address, phone number, office hours, staff contact, organizational chart, workstation space for review, computer access, etc.
- Program information – modernization efforts including interface with online applications and call centers, office functions, caseload information, recent reviews, recent staff training, etc.
- A sample of cases for review, including recent approvals, denials, terminations, and cases due for recertification to be pulled for the review. The sample month for case file selection should be at least three months prior to the month in which the on-site review occurs. This will give the local office at least 60 days to act on initial applications. (If using data mining to identify cases with specific circumstances, explain the procedures during the phone call or in written correspondence.)

V. CONDUCTING THE REVIEW: ON/OFF-SITE ACTIVITIES

In preparation for the review, the Automation/Performance Reporting Section selects a random sample of cases for the Compliance Reviewers to review on-site during the review. Samples are pulled according to a logarithm accepted as standard practice for such activities. Samples are pulled for: initial approvals, initial denials, ongoing terminations, and new recertifications. Case sample sizes are:

- Small counties (fewer than 6,000 cases):
 - 10 initial approvals
 - 10 initial denials
 - 10 ongoing terminations
 - 10 recertifications
- Medium counties (fewer than 15,000 cases):
 - 15 initial approvals
 - 15 initial denials
 - 15 ongoing terminations
 - 15 recertifications

- Large counties (over 15,000 cases):
 - 20 initial approvals
 - 20 initial denials
 - 20 ongoing terminations
 - 20 recertifications

Part of the ME Review process requires interviews with the Director of the Department of Social Services (or his/her designee), the Food and Nutrition Services Supervisor, FNS caseworkers, Reception staff, clients, and community representatives who have probable knowledge of any problems that may exist regarding civil rights and program access. All work papers and copies of each summary will be maintained on the Economic Independence Server (G: drive).

The following review activities may be performed off-site if it is deemed appropriate for the county and will not negatively impact the results of the review. The review activities that may be completed off-site before traveling to the local office to conduct the on-site portion of the review are as follows:

- Entrance Conference
- Local Level Client Services
- Local Office On-line Application
- Interviews of staff, clients, and grass-roots organizations

Off-site Entrance Conference

Conduct the entrance and/or exit conferences and the Local Office Survey via telephone (or computer video if equipment is available). This allows all parties (State, local) to be present on the calls. In addition, by conducting the exit conference after the fieldwork is completed allows the review team to sort out their notes and complete analysis of the data. It's good to remain flexible, however, should it be necessary to conduct informal face-to-face meetings at the beginning and end of the fieldwork. For specific information to convey and to request, see the discussion in the previous section, planning the Review.

On-site Entrance Conference

If the entrance conference was not already conducted by telephone prior to arriving at the local office, meet with the local office staff when arriving at the local office. This provides an excellent opportunity to meet the people who will be working with the review team during the review and also provides an opportunity to explain to the staff why and how the team is conducting the reviews.

Review Local Level Client Service via Telephone

Call the local office anonymously to determine level of customer service, availability of public transportation and translation services for languages other than English or hearing-impaired. If possible, enlist the help of a bilingual staff person to make separate calls in English and Spanish (or other language appropriate to the local

review area) to compare the information provided in both languages.

If clients of the project area are able to utilize a call center for client services, conduct an anonymous review of the call center by posing as a person who wants to apply for Food and Nutrition Services. Test the call center's customer service for LEP and hearing-impaired callers.

Local Office Online Application Processing

If applicants have the option to apply via the Internet, review the process as it interfaces with the local office. This is not intended to be a review of the online application itself for compliance with regulations; rather, it is intended to be a guide to determine if any barriers or delays for customers exist as a result of any activities, processes, systems, or procedures at this office.

Conduct interviews

Interviews of advocates/community organizations can be completed by phone prior to the review. Also, some client interviews can be completed by phone once the case file review sample has been received. Clients that are part of the case file recertified sample and were recertified by telephone interviews or clients that failed to complete the recertification process would be good candidates for program access telephone interviews. Finally, it may be appropriate to conduct some or all of the interviews with Food and Nutrition Services staff over the phone. Follow-up questions can be asked on-site at the local offices to confirm information.

- **INTERVIEWS**

Interviews of Food and Nutrition Services staff, clients, and advocates/community organizations are an important part of a program access review. The purpose of conducting these interviews is to learn first hand about program access issues at the local office.

- **Staff Interviews**

- ❖ **Interview Results**

Interviews highlight how Food and Nutrition Services staff understand and apply rules and how various functions related to the Food and Nutrition Services application process are implemented. The interview process will help to:

- Determine the local agency process/procedures used to accommodate, certify, and process applicant/households;
- Provide an explanation of the system used to track the number of applications filed and number of cases processed as expedited; and
- Determine if a certain worker does not understand a particular rule or procedure.

- ❖ **Interview Approach**

In conducting interview, the review team should be flexible and recognize the need to ask follow-up questions to clarify information or speak with

- additional staff to resolve inconsistencies as necessary.
 - ❖ Minimum Requirements
 - A minimum of 4 local office staff (depending on the size of the office) should be interviewed to help determine if the local office is in compliance with Federal regulations for program access. The following staff should be interviewed:
 - Local Office FNS Director/Manager (if appropriate) (1)
 - Food and Nutrition Services Eligibility Supervisor (1)
 - Eligibility Workers (2) – Depending on the office organization, include both intake and ongoing workers, or both non-public assistance (NPA) and public assistance (PA) caseworkers.
 - Receptionist/Screeners (1)
- Clients
 - ❖ Conditions for Conducting Interviews
 - Interviews should be conducted away from the waiting area, if possible, to protect client confidentiality. Randomly select clients, choosing a mix of new applicants and ongoing participants, if possible. As previously discussed, it may be possible to interview some clients over the phone prior to the on-site review.
 - ❖ Minimum Requirements
 - A minimum of 6 clients for all counties (~~depending on the size of the office~~) should be interviewed to learn about the types of experiences they have had as applicants and recipients at the local office.
- Advocates/Community Organizations
 - ❖ Types of organizations to Interview
 - The first organization to interview is the legal aid organization recommended choices include; legal aid organization, organizations that serve the non-English speaking community, homeless, migrant farm worker, battered women and children communities, or local food banks and soup kitchens.
 - ❖ How to Identify Advocates/Community Organizations
 - Advocate/Community Organizations should not be obtained from the local Department of Social Services. Advocate groups may be identified by: State FNS Directors; State Civil Rights Directors; FNSRO Directors of Civil Rights and Public Affairs; listings in local phone book; on the Internet; legal aid agencies; food banks; immigration or civil rights agencies; and FNS field offices located in the State. Advocate groups will likely provide information on the areas of the FNS they perceive as problems or information on areas that are noteworthy from a community standpoint.
 - ❖ Minimum Requirements
 - A minimum of 3 community organizations or advocate organizers should be interviewed. As previously discussed, these interviews may be conducted by telephone from the regional office prior to the on-site

review.

VI. CONDUCTING THE REVIEW: ON-SITE ACTIVITIES

The following review activities must be conducted on-site:

- Observations of Local Office Functions
- Review of Case Files
- Exit Conference

OBSERVATIONS

- Purpose of Observations
The purpose of observing certain local office functions as part of the review is to see first hand how the office works. The information obtained from observations will help the reviewer to learn how the client service operations flow and allow the reviewer to compare the observations with the information received from the staff interviews.
- What To Observe
 - Physical Environment
 - ❖ Office location – note accessibility and whether public transportation is available
 - ❖ Building – note accessibility for elderly and disabled persons including the registration counter, worker offices, finger imaging site, and other areas that applicants must use, the availability of public restrooms, etc.
 - ❖ Waiting rooms –whether the following is posted:
 - Nondiscrimination poster, “And Justice for All”, and
 - An explanation of the FNS application processing standards and the right to file an application on the date of initial contact.
 - ❖ Privacy requirements for interviews including computer kiosks, or designated telephones for online application or making phone calls to a call center
 - ❖ Whether the flow of office organization presents barriers to applying for benefits
 - Processes
 - ❖ Steps an applicant must take to apply for Food and Nutrition Services or drop off applications or documents.
 - ❖ Receptionist functions – are customers treated respectfully and provided clear instructions?
 - ❖ Screening functions – what information is provided to applicants and does it reflect correct policy?
 - Materials
Note the availability of the following information and if available whether the information contains the correct non-discrimination statement:
 - ❖ Food and Nutrition Services applications;
 - ❖ Other Food and Nutrition Services information; and
 - ❖ Information about other programs/services for the Food and Nutrition Services population.

CASE FILE REVIEWS

- **Purpose of the Case File Reviews**
Reviewing case files provides a check against the information provided by staff during the interviews and is a critical component of the Management Evaluation. Although the minimum number of cases to be reviewed (as discussed below) is not large enough to yield statistically valid findings, enough cases are reviewed to give a clear indication of the local office compliance in meeting basic application processing requirements.

- **Minimum Requirements for large counties (over 15,000 cases)**
A minimum of 80 case files are required to be examined during the review. The following types of case actions should be reviewed in approximately equal number:
 - 20 Initial approvals
 - 20 Initial Denials
 - 20 Ongoing Terminations
 - 20 Recertifications

- **Minimum Requirements for medium counties (over 6,000 cases)**
A minimum of 60 case files are required to be examined during the review. The following types of case actions should be reviewed in approximately equal number:
 - 15 Initial approvals
 - 15 Initial Denials
 - 15 Ongoing Terminations
 - 15 Recertifications

- **Minimum Requirements for small counties (less than 6,000 cases)**
A minimum of 40 case files are required to be examined during the review. A sample size of 85 cases is unrealistic and burdensome for a county with less than 6,000 cases so a more statistically representative sample of 40 cases will be used for these counties. The following types of case actions should be reviewed in approximately equal number:
 - 10 Initial approvals
 - 10 Initial Denials
 - 10 Ongoing Terminations
 - 10 Recertifications

- Program Requirements to Review
 - Initial Applications

Review these cases to determine compliance with program requirements for application screening for expedited service and processing requirements, timeliness of eligibility determinations, notices, interviews, verification, case file documentation, and work requirements. Note whether benefits were correctly prorated.
 - Denials

Review these cases for compliance with program requirements for application screening for expedited service and processing, timeliness of eligibility determinations, notices, interviews, verification, case file documentation, and work requirements. Note whether the denials were correct and whether Food and Nutrition Services determinations were independent of any other program's case actions.
 - Terminations

Review these cases to determine if the basis for the termination as stated on the Notice of Adverse Action was correct, if the household was sent a correct and timely notice, and if the termination was effective within the State's timeframes. If the household was terminated for failure to provide verification, ensure that the household was informed of the verification required to be submitted.
 - Recertifications

Pull a sample of households that were sent a Notice of Expiration in the sample month. Half of the sample should be households that were recertified and the other half should consist of households that were not recertified. Review these cases for compliance with program requirements for application processing, notices, interviews, verification, case file documentation, and work requirements. Note whether the eligibility redeterminations were correctly made and whether Food and Nutrition Services determinations were independent of any other program's case actions. Consider calling some households that did not file a recertification application or whose recertification was denied as part of the client interviews. This can provide insight to access barriers at recertification.

ENERGY PROGRAMS

LIEAP and CIP Energy programs monitoring will be completed in conjunction with the Management Evaluation whenever possible. Management Evaluations completed in the months of October and November will not have the LIEAP monitoring completed until after December of the same Federal Fiscal year.

LIEAP MONITORING INSTRUCTIONS

- LIEAP Monitoring will follow the county schedule for Management Evaluation. .
- Review a minimum of 20 LIEAP cases in medium and large counties (> 6000); and a minimum of 10 LIEAP cases in small counties (< 6000).

- The following types of reports are needed:
 - **Applications Approved listing report:**
 - Reviewer will run the applications approved report for the last 6 months of the review year (note: can go back up to 12 months if necessary). Pull every 5th case from report up to appropriate total for the county size.
 - Small County (<6000) minimum of 5 cases.
 - Medium and Large Counties (>6000) minimum of 10 cases.
 - Reviewer will review accuracy in Timeliness, application of policy, appropriate authorized amounts, and documentation.
 - **Applications Denied listing report:**
 - Reviewer will run the applications denied report for the last 6 months of the review year (note: can go back up to 12 months if necessary). Pull every 5th case from report up to appropriate total for the county size.
 - Small County (<6000) minimum of 5 cases.
 - Medium and Large Counties (>6000) minimum of 10 cases.
 - Reviewer will review accuracy in valid denial reason, appropriate documentation, and timeliness.
 - **Duplicate Reports for SSN and Address**
 - Reviewer will run the duplicate SSN and Address reports for the last 6 months of the review year (note: can go back up to 12 months if necessary). Pull every 5th case from report up to appropriate total for the county size. In the event there are not enough records to pull the minimum the reviewer will review what is available.
 - Small County (<6000) minimum of 5 cases.
 - Medium and Large Counties (>6000) minimum of 10 cases.
 - Reviewer will review to determine if LIEAP was authorized in excess of county plan. If excess was issued reviewer will determine if CROP was established correctly.

CIP MONITORING INSTRUCTIONS

- CIP Monitoring will follow the Management Evaluation Review Schedule for counties.
- Review a minimum of 20 CIP cases in medium and large counties (> 6000); and a minimum of 10 CIP cases in small counties (< 6000).
- The following types of reports are needed:
 - **Applications Approved listing report:**
 - Reviewer will run the applications approved report for the last 6 months of the review year (note: can go back up to 12

months if necessary). Pull every 5th case from report up to appropriate total for the county size.

- Small County (<6000) minimum of 5 cases.
- Medium and Large Counties (>6000) minimum of 10 cases.
- Reviewer will review accuracy in Timeliness, application of policy, appropriate authorized amounts, and documentation.
- **Applications Denied listing report:**
 - Reviewer will run the applications denied report for the last 6 months of the review year (note: can go back up to 12 months if necessary). Pull every 5th case from report up to appropriate total for the county size.
 - Small County (<6000) minimum of 5 cases.
 - Medium and Large Counties (>6000) minimum of 10 cases.
 - Reviewer will review accuracy in valid denial reason, appropriate documentation, and timeliness.
- **Adjustment report:**
 - Reviewer will run the applications denied report for the last 6 months of the review year (note: can go back up to 12 months if necessary). Pull every 5th case from report up to appropriate total for the county size.
 - Small County (<6000) minimum of 5 cases.
 - Medium and Large Counties (>6000) minimum of 10 cases.
 - Reviewer will review accuracy in valid adjustment reason, appropriate documentation, and timeliness.
- **Duplicate Reports for SSN and Address**
 - Reviewer will run the duplicate SSN and Address reports for the last 6 months of the review year (note: can go back up to 12 months if necessary). Pull every 5th case from report up to appropriate total for the county size. In the event there are not enough records to pull the minimum the reviewer will review what is available.
 - Small County (<6000) minimum of 5 cases.
 - Medium and Large Counties (>6000) minimum of 10 cases.
 - Reviewer will review to determine if CIP was authorized in excess of county plan. If excess was issued reviewer will determine if CROP was established correctly.

EXIT CONFERENCE

The exit conference provides an opportunity to close the review with the local office staff. At the conclusion of the review, a general discussion of the overall findings should be held with the local agency administrator/manager. This may also be an

appropriate time to discuss specific findings from the case file review. Consider giving the local office an opportunity to find missing documents or to respond to individual case findings prior to releasing the report. This will reduce the number of challenges to the report and give the agency a head start in correcting allotments. Inform the manager that a formal report will be issued to the State agency. The case file findings should be included in the final report transmitted to the State.

VII. REPORTING THE FINDINGS

PURPOSE OF THE REVIEW REPORT

The review report will be comprised of the completed Management Evaluation Tool and The Management Evaluation Summary Letter.

RECOMMENDED MANAGEMENT EVALUATION SUMMARY LETTER CONTENT

The letter should include the following:

- Introduction— provide basic information (who, what, when) about the review including:
 - Dates, times, and locations;
 - Identification of FNS reviewers and local office staff involved in the review;
 - Description of review activities; and
 - An expression of appreciation for the assistance/hospitality shown to FNS reviewers.
- Summary – briefly summarize the results of the review.
- Review details – provide details on the review including:
 - Findings—describe deficiencies found citing specific regulatory requirements with which the local office is noncompliant;
 - Background – provide a complete explanation of each finding and all pertinent facts to support the findings, including specific information on case file records found in error;
 - Required Corrective Action – specify the action(s) that the local agency/State agency must take to correct each finding; and
 - Recommendations – describe aspects of the local office operations that could be taken to promote program access and improve customer service.
- Local Agency Response – specify the date by which the Local agency must respond to all findings (no more than 60 days from the date of the report).

VIII. FOLLOW-UP

Depending on the extent of the review findings, follow-up may be easy or protracted. The Local agency is required to provide corrective action by the due date required by the Management Evaluation, as stated in the review report. If the report is not received within the required timeframe, reviewer will need to follow-up with the Local agency.

Once the Local Agency's PIP is received, review the PIP for adequacy. Ensure that all deficiencies are addressed and the corrective action is appropriate to the findings. If the Local Agency's response is unclear or inadequate, contact the Local agency in writing and request additional information. When the corrective action is considered adequate, reviewer may close out the report.

SECTION VI

Monitoring Plan for the North Carolina Child Support Program August 2011

OVERVIEW

The Child Support Program operates as a section of the Division of Social Services (DSS). The operation of the Child Support Program differs significantly from other DSS programs. Child Support is not an eligibility program and does not provide financial assistance to participants. The Child Support Program establishes obligations for child support payments and these payments from non-custodial parents are distributed according to federal regulations. Child Support offices are operated by local DSS Offices, Private Vendors or County Managers. Program Representatives are assigned to each county. All child support offices are funded on a reimbursement basis. Federal Financial Participation (FFP) funding is available for all allowable expenditures at 66% federal and 34% non-federal funding level.

Single Audit Corrective Action Plans are submitted to the Central Office. Michele Tart, Assistant Chief-Central Office Operations reviews and coordinates the responses for the Single Audit findings. All documents, monitoring tools and reports related to self assessment and monitoring are maintained and located in the Child Support Central Office. The Central Office address is P. O. Box 20800, Raleigh, NC 27619-20800. The main number for the Central Office is (919) 255-3800.

The North Carolina Child Support Program Monitoring Plan consists of two components. The first component is based on PRWORA and the Federal Office of Child Support Enforcement Program (OCSE) requirement that the state agency responsible for the Child Support Program shall monitor program compliance and submit an annual report to OCSE. This federal requirement is referred to in the child support community as “Self-Assessment.” OCSE developed their “Self-Assessment” monitoring requirements to totally fulfill the OMB A-133 regulations for the Child Support Enforcement Program. http://www.whitehouse.gov/omb/circulars/a133_compliance_supplement_2010

The second component of the Child Support Program Monitoring Plan consists of a system of quality reviews for each local child support office. Quality review case information is reported monthly. Results are shared with the local office supervisor upon the completion of the case reviews.

Based on the OMB A-133 requirement for monitoring child support offices as subrecipients and the Child Support Program’s goal to improve program performance, the Child Support Program Monitoring Plan addresses monitoring every child support program office in the state. OCSE requires that the Self-Assessment review be conducted annually and that it must include a statistically valid sample from the statewide caseload without regard to individual county risk. Additionally, the quality reviews are held in

every county without regard to risk. All reviews are conducted under the assumption of its risk standard.

Program Area to be Monitored:

Area	Federal/State Compliance Number	Subrecipients to be monitored	Funding Source and Amount* *SFY 2011	Review Tools
Child Support	93.563	All counties	Title IV-D of the Social Security Act \$104,077,594	Attachments A and B

Below is a brief description of the Program Areas and Services to be monitored by the Child Support section during the state fiscal year.

Child Support Program

The Child Support Program aids in the establishment and collection of child support to ensure that both parents support their children. The program processes include:

1) location of the non-custodial parent for establishment and enforcement of existing child support orders, 2) paternity establishment for children born outside of marriage, 3) establishment and modification of new and existing orders of support, 4) enforcement of support obligations, and 5) collection and distribution of support.

The goal of the program is to consistently collect as much child support as possible and to help families become self-sufficient.

Core Areas to be Monitored

The OMB Circular A-133 specifies fourteen (14) areas of compliance monitoring. North Carolina has an additional requirement that policies prohibiting conflict of interest be reviewed for non-profit subrecipients. Depending on the program and type of funding, all 14 core areas may not be applicable to the funding source.

The core areas of compliance monitoring involve fiscal monitoring (i.e., review of financial statements and audit findings and internal control questionnaires) and program monitoring (i.e., determination of whether the eligibility criteria were met or review of the scope of work to see if the objectives of the contract have been met). Following is a brief description of each of the core areas:

A/1: Activities Allowed or not allowed: This requirement refers to specific activities identified in the grant agreement, contract, allocation, letters, policy manuals and state or federal regulations that are allowed or that may not be allowed. The purpose of this requirement is to provide reasonable assurance that State and Federal funds are used for the intended purposes.

B/2: Allowable Costs/Cost Principles: This requirement seeks to assure that the costs paid to the contractor are reasonable and necessary for the operation and administration of the program and that the subrecipient uses an acceptable method of allocating costs, including indirect costs.

*Note: With the exception of the Davis-Bacon Act (D) and the Conflict of Interest (15) requirement, the federal and state requirements are the same. The alphabetic code denotes how the federal requirement is referenced. The numeric code is the corresponding state code for that core area.

C/3: Cash Management: This requirement is only applicable if the contractor receives an advance of funds from NCDSS of more than 60 days from when the funds would ordinarily be disbursed. In accordance with the DHHS Cash Management Policy, the Controller's Office is responsible for reviewing the cash needs of subrecipients that receive advances every three months to determine whether or not the advance represents more than a 60-day cash requirement.

D: Davis-Bacon Act: This requirement is not applicable to DHHS subrecipients. It is a federal law that applies to contractors with contracts for more than \$2,000 financed by federal dollars where laborers and mechanics are employed.

E/5: Eligibility: This requirement ensures that only those individuals and organizations that meet the eligibility requirements for receiving services or financial assistance from the program participate in the program. The eligibility requirement for an individual diagnosis, risk factors, medical necessity criteria, income, etc. Similarly, an organization may qualify to participate in a program based on the extent to which the type of program

and the mission of the organization are consistent with the requirements of the funding source.

F/6: Equipment and Real Property Management: This requirement refers to tangible property that has a useful life of more than one year and costs more than \$5,000. Such equipment may only be purchased per the conditions of the approved contract or grant agreement.

G/7: Matching, Level of Effort, Earmarking: These requirements are specifically addressed in the grant documents, allocation letters, contracts and state or federal regulations.

- Matching refers to the specific amount or percentage of funds the subrecipient is required to match the state or federal grant. The matching portion must be verifiable in the accounting records, incurred during the period of the award, must not be used to meet the match of another program, allowable under cost principles and derived from non-federal or non-state funds unless specifically authorized.
- Level of Effort refers to the specific level of service that must be provided (e.g., the number of clients the subrecipient must serve) or a specified level of service (e.g., maintenance of effort) or the requirement that federal or state funds may only be used to supplement the non-state or non-federal funding of the service.
- Earmarking refers to the requirement that an amount or percentage of a program's funding must be used for specific activities.

H/8: Period of Availability of Federal Funds: This requirement refers to the time period authorized for state and federal funds to be expended. State funds are authorized for the fiscal year (July 1 – June 30); however, NCDSS may allow a subrecipient to carry forward unexpended funds into the next fiscal year. Most federal funds allow additional time after the end of the grant period for obligations incurred during the grant period to be paid.

I/9: Procurement and Suspension and Debarment: This requirement assures that the subrecipient follows the state and federal policies and procedures for procurement, that the subrecipient has not been suspended or disbarred from receiving funding from the state or federal government, and that the subrecipient does not use federal funds to purchase goods or services costing more than \$100,000 from a vendor that has been disbarred by the federal or state government..

J/10: Program Income: The purpose of this requirement is to assure that program income is being used appropriately. This requirement refers to the gross income received by the subrecipient on activities, services or goods purchased with state or federal funds. Program income may be used to provide matching funds when approved by the state or federal agency.

K/11: Real Property Acquisition and Relocation Assistance: This requirement does not apply to DHHS.

L/12: Reporting: Contract administrators are required to monitor the financial, performance and special reporting of the subrecipient in order to provide assurance that funds are being managed efficiently and effectively to accomplish the objectives of the program as specified in the compliance supplement, applicable laws and regulations, and contract or grant agreements.

M/13: Subrecipient Monitoring: Contract administrators are required to provide assurance that any NCDSS subrecipient that subcontracts with another agency monitors the agency with which the subrecipient subcontracts as specified in the compliance supplement for the funding source.

N/14: Special Tests and Provisions: Contract administrators must provide assurance that all special requirements found in the laws, regulations, or the provisions of the contract or grant agreement are monitored appropriately. Such special tests and provisions may relate to fiscal and/or programmatic requirements or may include actions that were agreed to as part of the audit resolution of prior audit findings or in corrective action plans identified as a result of monitoring reviews.

15: Conflict of Interest: This requirement applies to any private, non-profit entity eligible to receive state funds, either by General Assembly appropriation, or by grant, loan or other allocation from a State agency (S.L. 1993-321, Section 16 of the Appropriations Act). An agency official is required to sign a notarized copy of the policy before a contract is executed. Copies of the organization's attestation to the Conflict of Interest Policy is kept by the Contract Management & Development Team in the organization's file.

The applicable compliance requirements for a funding source are outlined in the compliance supplement for the specific federal or state program. In cases where a program is funded by multiple funding sources, the funding source with the most stringent requirements would be the criteria used to monitor the program. The compliance supplement identifies those core areas which at a minimum must be monitored. Monitors are not precluded from looking at additional areas as long as the minimum core areas are also examined. Monitoring the compliance requirements helps to fulfill part of the intent of the Federal Financial Assistance Management Improvement Act of 1999 (i.e., to improve the effectiveness and performance of federal financial assistance programs).

DOCUMENTATION OF MONITORING ACTIVITIES

Each Program Monitor is responsible for reporting their monitoring activities. This shall be documented in a format developed by the Lead Monitor. Any ensuing technical assistance required as a result of subrecipient monitoring activities shall be referred to the contract administrator or the appropriate program representative for follow-up.

Copies of certain monitoring documents will be kept in a centralized location. Copies of pertinent information used for monitoring shall also be included in the subrecipients file. Copies of all communications sent out to the subrecipient and received from the subrecipient that pertain to subrecipient monitoring shall also be included in the file. This includes copies of the notification, the monitoring results report, plans of correction and notification to the subrecipient of the disposition of the outcome of the review of the corrective action plan (closure letter).

Program Representatives enter each county's quality review scores on the central office shared drive after they are completed. The scores are available for monitoring as well as to identify opportunities for improvement.

Program Representatives monitor and review Self-Assessment results for each of their counties. On an annual basis, they utilize the case review results and work with local supervisors to formulate a corrective action plan for each local office. Program Representatives follow up to ensure compliance with the corrective action plans.

FEDERAL OFFICE OF CHILD SUPPORT ENFORCEMENT PROGRAM SELF ASSESSMENT

The purpose of the Federal Office of Child Support Enforcement Program (OCSE) Self-Assessment is to determine whether states are meeting Federal requirements for providing child support services. The OCSE Self-Assessment requirements and the procedure for implementing them are found in OCSE Action Transmittal 98-12 (Exhibit 1). This Action Transmittal includes implementation methodologies, case review requirements, case review instruments, reporting requirements and instructions to the states. The Action Transmittal governs the North Carolina Child Support Program's Self-Assessment case review and reporting process. In order to comply with OCSE Self-Assessment, the Child Support Central office reviews and reports program compliance in eight program areas:

- 1) Case Closure
- 2) Establishment of Paternity and Support Orders
- 3) Expedited Process
- 4) Disbursement of Collections
- 5) Enforcement of Support Orders
- 6) Medical Support Enforcement
- 7) Review and Adjustment
- 8) Interstate Services

Each federal fiscal year, reviews are performed for cases throughout the state. The annual report is completed each March. The User Support Unit, located at the Child Support Central Office, is responsible for performing the statewide Self-Assessment review and preparing the annual report. The Self-Assessment review process is carried out in an automated manner using the Client Services Data Warehouse (CSDW). Using the data warehouse to identify the case universes and to perform the case reviews allows the Child Support Program to review each case in the universe instead of just a sample. This complete review process gives the child support program the opportunity to identify every case throughout the state that is in or out of compliance and to identify the reason for the non-compliance. If manual case reviews are needed, the User Support staff utilizes the Child Support Program's Automated Collection and Tracking System (ACTS) for case review. System case review is possible because ACTS is a detailed management system containing extensive case data.

The Child Support Program also uses the CSDW to perform quarterly Self-Assessment reviews. Child Support Program management and local offices are able to drill down to obtain complete caseload compliance results for each county and for each responsible worker for the annual reviews and for the quarterly reviews.

MONTHLY QUALITY REVIEWS

The Child Support Program developed a monitoring process that utilizes local office quality reviews. The objectives of the process are:

- 1) To ensure that cases are being processed according to federal requirements and child support policy
- 2) To ensure that correct ACTS procedures are being followed
- 3) To provide a tool in identifying training needs
- 4) To provide feedback regarding effective case management; and
- 5) To identify practices utilized by the most productive workers.

A detailed quality review checklist and an instruction packet are used to conduct the case reviews (Exhibits 3 and 4). These instruments are utilized for each case as it is reviewed. Sample cases are selected from ACTS reports and office logs to ensure that cases in various processing statuses are represented. In each local office, Program Representatives review three cases for each month. The Program Representative ensures that the local office Supervisor is familiar with the quality review instruments and understands the purpose of the case reviews. This information is used by the Central Office Policy and Training staff to identify training needs in specific offices and statewide.

For local offices, the quality review checklists are scored and tabulated. The results of the quality reviews are monitored by the Program Representatives and utilized to formulate each office's corrective action plan.

SELF ASSESSMENT METHODOLOGY FOR CASE REVIEWS

Introduction

The North Carolina Child Support Program uses the Client Services Data Warehouse (CSDW) to select and evaluate all cases for the annual review. The OCSE-AT 98-12 advised states to create a statistically valid plan for selecting cases that would achieve a 90% confidence level to review findings. Using the Data Warehouse, the Child Support Program eliminates the possibility of human error or bias when evaluating each category and therefore has achieved a 100% confidence level.

Data from the Automated Collection and Tracking System (ACTS) is loaded to the Data Warehouse monthly. Data Warehouse first applies the business requirement criteria to all IV-D cases to identify each category's population. Each category has a separate population and cases are evaluated based on specific guidelines and timeframes. The CSDW also allows the Child Support Program to identify a separate focused case population for each category and to evaluate every case within the population.

SELF-ASSESSMENT COORDINATION

User Support Staff located in the North Carolina Child Support Program's Central Office are responsible for the development of the Self-Assessment query tool in the Data Warehouse. These individuals have a vast knowledge of the Child Support Program as well as the Data Warehouse Business Objects Client Tool. These individuals play a key role in Self-Assessment performance management, assisting local workers with reports and providing statistical information to management. The Self-Assessment review process is ongoing in North Carolina, with statistics sent to local workers quarterly. This allows the opportunity for local workers to review cases before the yearly review is conducted. For the yearly review, cases are reviewed automatically by the DHHS Client Services Data Warehouse (CSDW).

Data from the Automated Collection and Tracking System (ACTS) is loaded to the Data Warehouse monthly. Because data is loaded monthly, local workers can run the Self-Assessment reports each month to monitor the progress of cases throughout the year. Loading the data monthly also enables local workers to build clean-up queries to identify cases that have the potential to fail Self-Assessment.

UNIVERSE DEFINITION

Data Warehouse first applies the business requirement criteria to all IV-D cases to identify each category's population. Each category has a separate population and cases are evaluated based on specific guidelines and timeframes.

Below is the selection criteria used to identify each category's population:

Case Closure: All cases closed at any time during the review period. Select all cases with a (case closure) event of CNOT, CDIE, CPAT, CAEX, CUID, CUL1, CUL3, CSSI, CSUS, CUNC, CNON, CNOS, CNCR, CGCA, CLOC, CFCT, CPDE, CISR or CRED and the event effective date is during the review period.

Enforcement: All cases during the review period with a DELQ event or a processing status of DELQ on the first day of the review period. Exclude interstate initiating cases.

Establishment of Paternity and Support: All cases during the review period with a processing status of PAT/EST on the first day of the review period or PAT/EST event during the review period. Exclude all interstate initiating and responding cases.

Expedited Process: All IV-D cases open at any time during the review period and were in PAT/EST processing status on the first day of the review period or had a PAT/EST event during the review period,

AND

Has an ECVA or ECVS or EAPS or PCRS case event with service method of L, M, P, R, S, V, or W and a service date on or before September 30th of the review period.

Interstate:

Initiating: All cases during the review period with an ‘I’ in the interstate field and the most recent ICOT event has an effective date during the review period.

Responding: All cases during the review period with an ‘R’ in the interstate field and the most recent ICOT event has an effective date during the review period.

Medical: All cases during the review period with a court order term of CMI, CMIA, MIO, or MM docket number on the first day of the review period, and cases with a court order start date or create date during the review period, whether a medical insurance court order term exists or not.

Review and Adjustment: All cases with event RNIR, RARE, RNPA or RARU with disposition BLOC or BUNW during the review period: Exclude interstate initiating cases.

SUMMARY OF METHODOLOGY

Data from the Automated Collection and Tracking System (ACTS) is loaded to the Client Services Data Warehouse (CSDW) monthly. The time frame for the review is the Federal Fiscal Year (October 1 through September 30). Once a population has been gathered, the evaluation process begins to determine if a case passes (meets all requirements/action case), fails (does not meet all the requirements/error case), or is NA (Not Applicable, case meets the initial requirements; however, it does not meet the evaluation criteria – not enough time to evaluate, etc.). The total number of cases passed is then divided by the total number of cases evaluated minus the not applicable cases to arrive at a percentage passing statewide.

By using the Data Warehouse, the North Carolina Child Support Program eliminates the possibility of human error or bias when evaluating each category. The program also allows the Child Support Program to identify a separate focused case population for each category and to evaluate every case within the population. As the system (ACTS) evolves, so does the ability to process the data in the Data Warehouse, giving management and the local workers the opportunity to focus on problem areas.

SECTION VI - EXHIBITS:

- Exhibit 1 - OCSE Action Transmittal 98-12
- Exhibit 2 - NCDSS Staff & Child Support Program Monitors
- Exhibit 3 - Quality Review Checklist
- Exhibit 4 - Quality Review Instructions

SECTION VI - EXHIBIT 1 – OCSE Action Transmittal 98-12

THE OFFICE OF CHILD SUPPORT ENFORCEMENT

ACTION TRANSMITTAL AT-98-12

Date: March 31, 1998

To: State and Tribal Agencies Administering Child Support Enforcement Plans under Title IV-D of the Social Security Act and Other Interested Individuals

Subject: Self-Assessment Report summarizing the activities, processes and recommendations of the Self-Assessment Core Workgroup which includes the Group's consensus on Review Requirements and the Minimal Review Requirements instrument which they developed.

CONTENT: This Action Transmittal contains instructions which provide clarification and guidance to the States in order that they can meet the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) requirement to annually assess the performance of their own IV-D program, and submit a report of their operations to the Office of Child Support Program.

State procedures for conducting their annual self-assessment should be developed or modified, at a minimum, to address the scope of review suggested in this instruction.

BACKGROUND: Section 342. "FEDERAL AND STATE REVIEWS AND AUDITS," of PRWORA amended Section 454 of Title IV-D of the Social Security Act to require the States to provide for a process of annual reviews of and reports to the Secretary, HHS on the State child support program, including such information as may be necessary to measure State compliance with Federal requirements for expedited procedures, using such standards and procedures as are required by the Secretary, under which the State agency will determine whether the program is operated in compliance with Title IV-D requirements.

The Self-Assessment Core Workgroup Report summarizes the recommendations of the Workgroup and includes their determination of an appropriate Report Format. The objectives of the Workgroup were to: determine what criteria the States would be required to address in their annual report; establish a process or methodology to be used to review the criteria; and to suggest a format to be used to report the results of these reviews.

STATUTORY REFERENCE: Section 454(15) of the Social Security Act, as amended by PRWORA of 1996, PL 104-193

SUPERSEDED MATERIAL: DCL 97-94

ATTACHMENT: Self-Assessment Core Workgroup Report which contains the Workgroups' consensus and recommendations concerning Reporting Instructions and Review Requirements

EFFECTIVE DATE: The effective date for the PRWORA provisions for Federal and State reviews is October 1, 1997. The proposed review period for the first required State self-assessment will be a 12-month period, beginning no later than October 1, 1997, and each 12-month period thereafter. The first Self-assessment report is due by March 31, 1999.

INQUIRIES TO: Keith E. Bassett, Director, Division of Audit, OCSE PROGRAM

SUPPLEMENTARY INFORMATION: It is the intent of the Office of Child Support Enforcement Program to regulate the Self-Assessment review process in the future. In the interim, we believe that the reporting criteria recommended by the Workgroup should be accepted by States as preliminary guidance on this important matter. Before Federal regulations are in effect, States may submit their statutorily required annual report in this format or in any other manner which is sufficient to provide all of the information necessary for the Secretary to measure State compliance with the requirements of title IV-D. Any State report that addresses the Workgroup's criteria will be considered to have included the necessary information. This AT is being issued to assist States in the process of developing their own self-assessment capability, and to provide guidance to help States meet the requirement to report annually to the Secretary as set forth in PRWORA.

Upon request, each exhibit to this AT will be provided in an electronic format. For a copy of an electronic file, contact Mike Hansen at (202) 401-5740.

David Gray Ross, Commissioner Office of Child Support Enforcement Program

Attachments:

Exhibit 1A

EXHIBIT 1A – AT-98-12

THIS EXHIBIT IS INTENDED TO BE A GUIDELINE OR TOOL FOR STATES TO USE FOR THEIR CASE REVIEWS, AND WILL BE MADE AVAILABLE FOR THE STATES USE UPON REQUEST; HOWEVER, IT IS NOT A MANDATORY REVIEW INSTRUMENT AND STATES MAY DESIGN THEIR OWN REVIEW INSTRUMENTS OR FORMS TO CONDUCT CASE REVIEWS.

Case Closure					
Questions	Yes	No	Reasons for Deficiency	References	Comments
1. Was case closed during the review period?					If Yes, continue with Question C1. If No, go to Question 2.
C1. If the case was closed, did it meet one or more of the Federal closure criteria?				167303.11(b)(1) - (12)	If Yes, go to Question C2. No represents an Error case.
C2. If closed, was 60 day notice sent, if appropriate?				167303.11(c)	Yes or N/A represents an Action case. No represents an Error case.
General Case Closure Comments:					
ESTABLISHMENT OF PATERNITY AND CHILD SUPPORT ORDERS					
Questions	Yes	No	Reasons for Deficiency	References	Comments
2. Was child support order establishment an issue during the review period?					If Yes, Continue with Question OE1; If No, Go to Question #3.
OE1. Was a child support order established during the review period?				303.4	Yes represents an "Outcome Action Case"; go to Question #3. If No, go to Question OE2.

ONLY EVALUATE ONE QUESTION BETWEEN OE2 AND OE4:					Evaluate the last required action during the review period for which the time frame can be evaluated.
OE2. If the non-custodial parent was located, was service accomplished within 90 calendar days of locate, or if service was unsuccessful, were unsuccessful attempts documented in accordance with State's definition of diligent efforts.				303.4(d) and 303.3(c)	Yes represents a "Process Action Case"; go to Question #3. No represents an Error case.
OE3. If location was needed, was the latest Federal locate requirement met?				303.3(b)(3) and (5)	Yes represents a "locate action case" go to question #3. No represents an Error case.
OE4: If case opening was needed, was the Federal requirement met?				303.2(b)	Yes represents a "case opening action case." No represents an Error case.

General Establishment Comments:

EXPEDITED PROCESSES

Question	Yes	No	Reason for Deficiency	References	Comments
3. Was expedited process an issue (support order need to be established in the review period and non-custodial parent had been served either prior to or during the review period)?					If Yes, Continue with Question EP1; If No, Go to Question 4.
EP1. Were actions taken to establish support orders (and paternity if needed) from the date of service to the time of disposition within 6 months? (If long-arm jurisdiction used, credit given for 6-month standard if action completed within 12				167303.101(b)(2)(i) and 167303.101(b)(2)(iii)	Yes represents an " Outcome Action Case. " Also, EP2 would also receive a Yes for the second time frame. If No, Go to

months.)					Question EP 2. N/A if insufficient time to complete.
EP2. Were actions taken to establish support orders (and paternity if needed) from the date of service to the time of disposition within 12 months?				167303.101(b)(2)(i)	Yes represents an " Outcome Action Case ", go to Question 4. No represents an error case. N/A if insufficient time to complete.
General Expedited Process Comments:					

ENFORCEMENT OF SUPPORT OBLIGATIONS

Question	Yes	No	Reason for Deficiency	References	Comments
4. Was Enforcement of Support Obligations an issue during the review period?					If Yes, Continue with Question E1; If No, Go to Question 5.
E1. Was a wage withholding (ww) collection received in the last quarter of the review period?				303.6(c)(1)	Yes represents an " Outcome Action Case " and do not need to review time frames; but must also review question E7. If No, go to Question E2.
E2. If ww not appropriate, was any collection received as a result of an enforcement action?				303.6(c)(2)	Yes represents an " Outcome Action Case " and do not need to review time frames; but must also review question E7 If no, go to

					Question E3.
ONLY EVALUATE ONE QUESTION between E3 and E6 :					Evaluate the last required action during the review period for which the time frame can be evaluated.
E3. If ww was appropriate, was ww actions initiated within required time frames?				303.100(c)(2), 303.100(f)(2), and 167453A(g)(1) of the Act.	If yes, go to Question E7 to determine if all Enforcement requirements met. No represents an Error case; go to Question 5.
E4. If ww was not appropriate, was other appropriate enforcement action(s) initiated within Federal time frames, or if service of process necessary but unsuccessful, were unsuccessful attempts documented to meet State's diligent efforts definition?				303.6(b), 303.6(c)(2), and 303.3(c)	If yes, go to Question E7 to determine if all Enforcement requirements met. No represents an Error case; go to Question 5.
E5. If non-custodial parent's address and/or employer needed to be located, was the latest Federal requirement met?				303.3(b)(3) and 303.3(b)(5)	If yes, go to Question E7 to determine if all Enforcement requirements met. No represents an Error case; go to Question 5.
E6. If case opening required, was the Federal requirement met?				303.2(b)	If yes, go to Question E7 to determine if all Enforcement requirements met. No represents an Error case; go to Question 5.
ANSWER THE FOLLOWING QUESTION IF CASE HAS ARREARS					
E7. If case had arrearages, was it submitted for Federal and State Tax Refund Offsets, if				303.6(c)(3), 303.72(a), and 303.102(a)	If yes or N/A, and previous Federal

appropriate?					requirements met (Question E2 through E6), then Case is an Action case. No represents an Error case; go to Question 5.
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General Enforcement Comments:

DISBURSEMENT OF COLLECTIONS

Questions	Yes	No	Reasons for Deficiency	References	Comments
5. Were collections received during the last quarter of the review period? (If more than one collection, review the latest collection received during the last quarter of the review period.)					If Yes, Continue with Question d1; If No, Go to Question 6. This requirement is effective 10/1/98 or 10/1/99 (for courts handling collections prior to PRWORA)
D1. From date of receipt, did the State disburse amounts payable under 167457(a) of the Act within 2 business days after receipt from the employer or other source of income.				167454B(c)(1) of the SSA	Yes represents an "Outcome Action Case", go to Question 6. No represents an "Error" case.

General Disbursement of Collections Comments:

Securing and Enforcing Medical Support Orders

Questions	Yes	No	Reasons for Deficiency	References	Comments
6. Was securing and enforcing a Medical Support					If Yes, Begin with Question

Obligation an issue during the review period?					MS1; If No, Go to Question 7.
MS1. For support orders being established or modified, was medical support ordered? If not ordered, was medical support included in the petition for support?				167466(a)(19) of the Act and 167303.31(b)(1)	If Yes or N/A, go to Question MS3. No to the second question represents an Error case.
MS2. If medical support ordered, did IV-D take steps to determine if health insurance was available?				167303.30(a)(7) and 167303.30(a)	No represents Error case.
MS3. If medical insurance was available, but not obtained, were steps taken to enforce the order?				167303.31(b)(7)	No represents Error case.
MS4. If health insurance was obtained, was the Medicaid agency informed?				167303.31(b)(6)	No represents Error case.
MS5. If health insurance obtained, was custodial parent notified?				167303.31(b)(5)	No represents Error case.
MS6. Did IV-D request insurance provider to inform them of lapses of coverage?				167303.31(b)(9)	No represents Error case.
MS7. If non-custodial parent was providing health insurance coverage and changes employment and the new employer provides health care coverage, did the State transfer notice of the health care provision to the new employer, which would enroll the child in the non-custodial parent's health plan, unless the non-custodial parent contested the notice				167466 (a)(19) of the Act	No represents Error case.

General Medical Support Comments:

REVIEW AND ADJUSTMENT OF ORDERS

Questions	Yes	No	Reasons for	References	Comments
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			Deficiency		
7. Was review and adjustment an issue during the review period?					If Yes, Continue with Question R1; If No, Go to Question 8.
R1. If case was reviewed and adjusted, or a determination is made, as a result of a review, during the review period, that an adjustment was not needed, the State will be considered to have taken appropriate action.				167303.8(f)(3)	Yes represents an Action Case , go to Question 8. If no, answer appropriate question R2 through R5.
ONLY EVALUATE ONE QUESTION between R2 and R5 :					
R2. If request received during the review period and a review is necessary, was both parties given 30 days to contest any adjustment to that support order if the cost-of living or automated methods had been utilized?				167466(a)(10)(A)(ii) of the Act	Yes represents an Action case. No represents an Error case.
R3. Was a review completed within 180 days of determining that a review should be conducted or locating the non-requesting parent, whichever occurs later?				167303.8(f)(1)(ii)	Yes represents an Action case. No represents an Error case.
R4. Were the custodial and non-custodial parents provided notices not less often than once every three years informing them of their right to request a review?				Section 466 (a)(10)(C) of the Act	Yes represents an Action case. No represents an Error case.
R5. If non-custodial parent's address and/or employer needed to be located, was the latest Federal requirement met?				303.3(b)(3) and 303.3(b)(5)	Yes represents an Action case. No represents an Error case.
General Review and Adjustment Comments:					
INTERSTATE SERVICES					

Questions	Yes	No	Reasons for Deficiency	References	Comments
8. Was Interstate an issue during the review period?					If Yes, Continue with Question IN1; If No, not applicable.
INITIATING INTERSTATE CASE:					
IN1: Was interstate time frame met? [Only need to evaluate the latest time frame.]				167303.7(b)(2), 167303.7(b)(4), 167303.7(b)(5), and 167303.7(b)(6)	Yes represents an Action case. No represents an Error case.
RESPONDING INTERSTATE CASE:					
IN2: Was interstate time frame met? [Only need to evaluate the latest time frame.]				167303.7(a)(2), 167303.7(a)(4), 167303.7(c)(5), 167303.7(c)(6), 167454B(c)(1) of the Act, 167303.7(c)(7)(iv), and 303.7(c)(9).	Yes represents an Action case. No represents an Error case.
General Interstate Comments:					

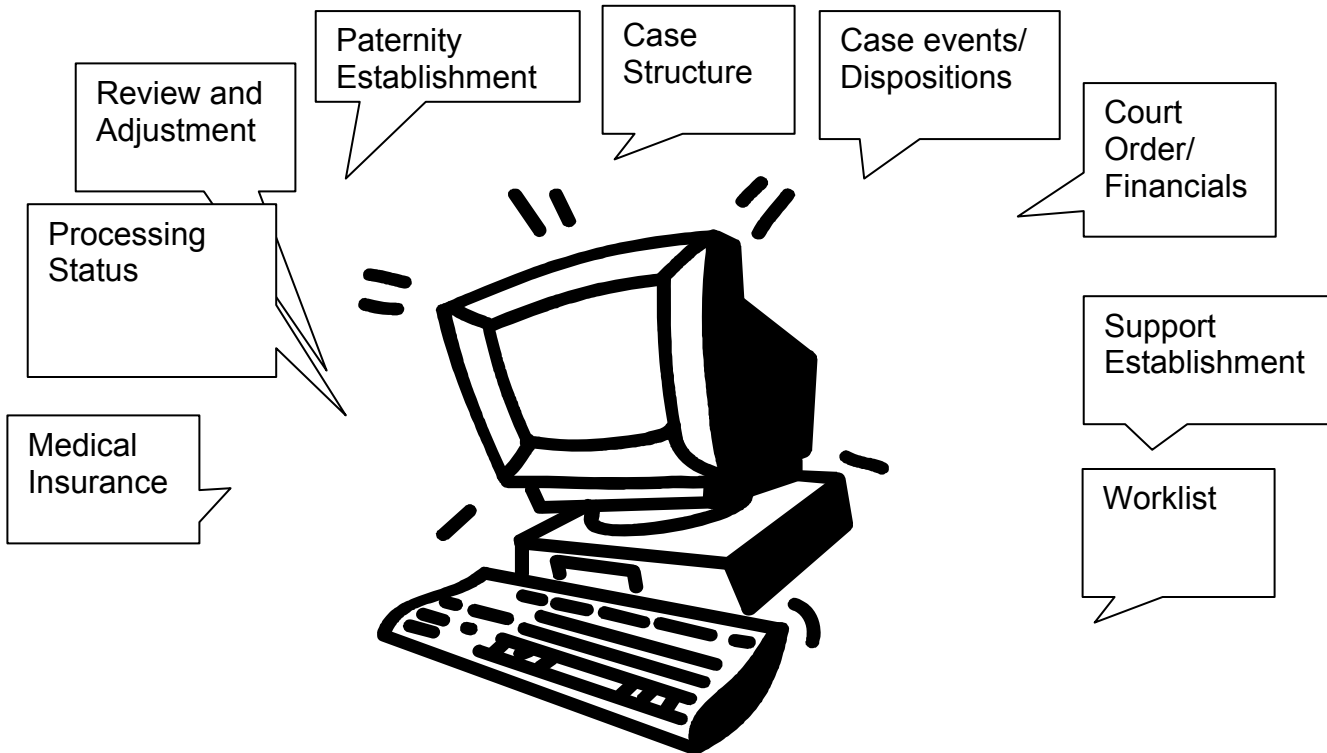
SECTION VI - EXHIBIT 2 - NCDSS Staff Performing Subrecipient Monitoring and Related Support Activities

Lead Monitoring Coordinator	
Staff Person	Area of Responsibility
James Clark	Family Services/Child Welfare Services Work First Child Support Program
Lead Monitors	
Michele Tart	Child Support Program
Child Support Program Compliance Monitors	
Staff Person	Area of Responsibility
Parena Fonville	Quarterly Desk Reviews, Federal OSCE Self Assessment
Leona Cauble	Quarterly Desk Reviews, Federal OSCE Self Assessment
Millie Bellamy	Quarterly Desk Reviews, Federal OSCE Self Assessment
Sharon Stanley	Quarterly Desk Reviews, Federal OSCE Self Assessment
Sally McDonald	Quarterly Desk Reviews, Federal OSCE Self Assessment
Carole Allen	Quarterly Desk Reviews, Federal OSCE Self Assessment
Angela Craig	Quarterly Desk Reviews, Federal OSCE Self Assessment
Judy Jedrey	Quarterly Desk Reviews, Federal OSCE Self Assessment
Kenya Newsome	Quarterly Desk Reviews, Federal OSCE Self Assessment
Sally McDonald	Quarterly Desk Reviews, Federal OSCE Self Assessment

SECTION VI - EXHIBIT 3 – Quality Review Checklist

Agent	NCP:	Type of Action:	Value	Applied	Missed	Points
	IVDE	Month / Year				
Client	NCP MP#	EIS#				
	CP MP#					
Case Intake	1	Documentation of payment of application fee (if appropriate).	1			#DIV/0!
	2	ACTS updated with all appropriate locate information	1			#DIV/0!
Case Structure	** 3	Is URPA balance correct?	3			#DIV/0!
	** 4	Client welfare summary current (i.e. check history, dates, current grant, EIS case #, TANF worker #, status)	2			#DIV/0!
	** 5	Sound/justified decisions taken based on child support policy, guidelines, procedures	5			#DIV/0!
	** 6	IVD status matches EIS	3			#DIV/0!
	** 7	CLT address: Matches EIS if TANF if NPA has mail address	1			#DIV/0!
RECORD DOCUMENTATION	8	Worklists, event dispositions, and event notes. Worker has taken appropriate steps to process and delete worklists, add event notes and disposition events as directed by policy and procedures.	5			#DIV/0!
NON-COOP	9	NCOR & NCOOD events if CLT failed to cooperate	1			#DIV/0!
Location	10	Manual locates dispositioned per policy and procedures	2			#DIV/0!
	** 11	Address/employer maintenance records created and updated per policy and procedures	3			#DIV/0!
Paternity	12	Paternity test records/scheduling completed and ACTS case events documented and dispositioned per policy and procedures	2			#DIV/0!
	13	Paternity status disposition entered on child's participant screen	2			#DIV/0!
	14	Paternity events created per policy & procedures when established by affidavit of parentage	2			#DIV/0!
	15	Was genetic test waiver/stipulation signed by NCP?	2			#DIV/0!
SUPPORT/	16	FFPA repayment ordered? requested via IVA interface / not ordered with justification.	2			#DIV/0!
MEDICAL	17	Civil action generated through ACTS and service of process information entered?	3			#DIV/0!
	18	Was CRIA event created and dispositioned in ACTS?	1			#DIV/0!
	19	Was proper legal procedure followed?	3			#DIV/0!
	20	Was medical insurance/medical support ordered? If not ordered, reason documented	3			#DIV/0!
	21	Medical cost verified/medical insurance record created / medical notice to client / documented if insurance provided by non participant.	3			#DIV/0!
	22	Worksheet completed correctly with documentation reflecting income utilized, expenses, etc.	3			#DIV/0!
	23	Daycare or extraordinary needs verified/documentd in ACTS	2			#DIV/0!
	24	Court order entered correctly on screen FOD per policy and procedures.	4			#DIV/0!
ENFORCEMENT	25	Case properly authenticated for tax intercept submission?	2			#DIV/0!
NON-COURT	26	Workman's Compensation hits completed timely/properly?	2			#DIV/0!
ACTION	27	I/W worksheet contains appropriate cases	5			#DIV/0!
	28	Employer non-compliance monitored and correct action taken?	3			#DIV/0!
	29	Availability of medical insurance follow-up.	2			#DIV/0!
COURT ACTION	30	Scheduling process properly completed and dispositioned.	2			#DIV/0!
	31	Proper civil action filed and proper court documents generated with service of process information entered? Applicable notes entered?	2			#DIV/0!
	32	Changes to court orders/subaccounts entered correctly? UNADJ arrears to ADJ/ intercept indicator correct?	3			#DIV/0!
	33	Resolution of court action completed within 2 days from court date.	2			#DIV/0!
	34	Court orders generated in ACTS?	1			#DIV/0!
	35	Court orders entered into ACTS within 3 days of the effective date of order & copies sent to all parties per policy?	2			#DIV/0!
	36	Case moved from DELQ processing status to COLL processing status if appropriate?	2			#DIV/0!
	37	Availability of medical insurance follow-up.	3			#DIV/0!
	38	Case properly authenticated for tax intercept submission?	2			#DIV/0!
REVIEW /	39	Correct process & results documented (verif. of income, worksheet etc.)	4			#DIV/0!
MOD	40	Scheduling process properly completed and dispositioned / notes added / service of process entered?	1			#DIV/0!
	41	Court orders entered into ACTS within 3 days of the effective date of order & copies sent to all parties per policy?	2			#DIV/0!
	42	Resolution of court action completed within 2 days from court date.	2			#DIV/0!
INTERSTATE	43	Correct interstate codes on screen CBC?	2			#DIV/0!
	44	Order entered on Screen IOD?	2			#DIV/0!
	45	Incoming CSENET transactions properly completed and deleted?	3			#DIV/0!
	46	Outgoing CSENET transactions completed properly for CSENET states?	3			#DIV/0!
	47	All interstate case activities documented on Screen URS if the other state is not CSENET functional and notes added as appropriate?	3			#DIV/0!
TOTALS				0	0	#DIV/0!
Quality Score						#DIV/0!
REVIEWER'S COMMENTS:						

SECTION VI - EXHIBIT 4 – Quality Review Instructions



QUALITY REVIEW INSTRUCTIONS

Objectives:

- Provide a tool to assist in identifying training needs.
- Ensure cases are being processed according to IV-D Policy and ACTS procedures.
- Provide feedback to agents, supervisors and IV-D management staff regarding effective case management and quality.
 - Develop consistency in case reviews.
- Tool to identify the practices of the most productive workers and share these practices with other staff to enhance productivity.

QUALITY REVIEW INSTRUCTIONS

The reviewer can select cases randomly from the Agent Statistical Report (ASR), worklists, NCXPTR reports, court calendars, telephone/office logs, day sheets, scheduling maintenance etc. The goal is to provide high quality services to our customers.

** Line items # 3-7, and 11 shall be reviewed in **EVERY** case.

CASE STRUCTURE/INTAKE

- 1-2. Review case events, attached notes and dates. Review the “APPL DT/AMT field on C6B (02.02, IV-D #, F9).” Ensure the “FEE” and “APPL DT/AMT” fields are completed for the appropriate cases. When these fields are completed, a “CFEE” event is also created.
3. ACTS case comparison to EIS system. Review client account statement (05.08 client’s MPI#) and EIS. The URPA balance is reflected on the top balance line with today’s date in the “URPA Open” column. If the case is currently TANF status, make sure the current month’s grant is reflected. If the case is a TANF case or prior TANF case, the grant amounts should be reflected for each month received. If the grants are not shown monthly, check to see if an “ADJM” line is reflected with notes attached that the adjustment has been done to add these grant amounts.
4. Review client welfare summary (02.13, client’s MPI#) and EIS case data. If grant information found in EIS for the months listed on the client welfare summary screen is missing or incorrect, look for correct grant information in the “Grant ADJ” column. Especially important current month grant information. Compare all corresponding EIS information (dates, AFDC worker#, status etc.) with the ACTS case. The ACTS case should mirror EIS information.
5. Review case events (02.10). Was case handled with proper case management according to IV-D policy and ACTS procedures? If not, was justification documented clearly?
6. Review the IV-D status field on C6B (02.02, F9, F9) and EIS. Ensure the ACTS case is coded the same status as EIS.
7. Review address maintenance for client (02.05 client MPI#). If the case is TANF/MAO, make sure the address matches EIS. If the client is NPA status, make sure a MAIL address exists.
8. Review case events (02.10). Ensure notes are attached correctly to case events and dispositioned correctly and appropriately. Review worklist maintenance (03.01) for IV-D case and, NCP’s MPI using View Option #3. Ensure all worklist items associated with case and NCP are reviewed, processed according to IV-D policy and ACTS procedures and deleted.

NON-COOP

9. Review case events (02.10). If TANF/MAO case, did client fail to cooperate with IV-D? If so, was the case referred for non-cooperation? Check to see if “Y” to “N” filed completed on Screen C8C and NCOR case event created. If client was non-cooped and later cooperated, did agent change the “N” back to “Y” and the NCOD case event created.

**Are there IAP1, ICL2, APFI case events created? If so, there should be documentation in the notes attached relating to the result of the appointment. Make sure the appointment was dispositioned correctly (from the scheduling maintenance not case event).

LOCATION

10. Review case events (02.10) and participant events for NCP to determine if all location leads indicated in the case were researched and dispositioned timely and correctly per policy and procedures. Review participant events for NCP (02.10). Were manual locations entered using 03.16 and system locations entered using 03.17.

**Look for the “L” and “M” events.

11. Review address maintenance (02.05). Has POTN and MAIL addresses been verified? If not, have postmaster verification letters been generated to update address information. Make sure address maintenance screen is documented regarding verification dates and address type.

Review employment history screen (02.08). Are there multiple open employer records? If so, has the agent initiated follow up to close all records no longer needed? Make sure employment record is updated with current employer data (start date, salary, pay frequency, pay cycle date, verification date, source, and medical insurance availability field). Is the correct EIN# associated with the employment record? Was the employment record created correctly for self employed NCP's? Was a request sent to SIVD1158 if employer needs to be added to TPT? Also review the participant level events for the NCP (02.10, NCP's MPI#).

PATERNITY

12. Review case events (02.10) and the paternity test record (02.14, child's MPI#). Does the case events indicate genetic testing was requested and scheduled properly? Was the genetic test appointment dispositioned? Were the test result entered in ACTS per IV-D policy and procedures? Were the results of the testing mailed to both parties.

13. Review screen C2A (02.01). Was the correct paternity disposition entered?

14. Review case events and child's participant events (02.10). If paternity was established by affidavit of parentage generated by the agency, were the PEAP events created and

dispositioned with "SIGN". If it was hospital based paternity, was a PEAP event created and the client and NCP information attached to the notes? Look for the PEST event (02.10). Also review screen C6A (02.02.F9). Was the case in the correct processing status when paternity was established?

15. Review case events (02.10). Was the genetic test stipulation generated and signed (look for the PAGT event).

SUPPORT/MEDICAL

16. Review case events (02.10). Were there event notes that indicate the amount of PPPA and how the ability to pay was determined? Review case events (02.10) and child's supplemental screen (02.01, child's MPI and F10). Was PPPA requested through ACTS Interface? Look for the PPAS and PPAR participant case events. There should also be notes entered on the Civil Complaint, Hearing event and or the Order event indicating the amount of PPPA ordered. If PPA was not pursued, make sure case events documentation reflects why.
17. Review case events (02.10) Look for the EVCS (civil summons) EAPS (application summons) ECVA (Alias and Pluries), ESUB (Subpoena) and, ENOH (Notice of Hearing) events. Were process service information entered?
18. Review case events (02.10). Was CRIA event created and dispositioned with CRFA when returned from the attorney?
19. Review case events (02.10). Were the correct legal documents generated according to the legal action needed on the case per IV-D policy and procedures?
20. Review the court order terms (05.05), hearing event, OVSA and or OCVL case events (02.10). Does it reflect medical was ordered? If not, are there notes attached advising why medical was not ordered? Was the insurance claim information letter sent to client? Look for the RICI case event.
21. Review Medical Insurance Record (02.07, NCP's MPI#). Was the medical insurance record completed with all the available information? Was the Premium Cost field completed? Make sure the employer attached to this record has the same EIN# as reflected on EHB. F2 to ensure the participants were added.
22. Review case events (02.10) Is there an OBAM event present? Are there notes attached reflecting income amount used for NCP and client, medical insurance costs, NCP other obligations, other dependents for NCP and client etc?
23. Review case events (02.10). Look at the ICL1, ICL2 (client interview). Is there documentation in note of verified daycare or extraordinary expenses?

24. Review court order screen (05.05) or 02.16. Were all the required fields (docket#, order date, start date, court/adm fips, terms etc.) completed per IV-D policy and ACTS procedures? Make sure the medical support services field was also completed. (Note: this field is tied to our case management goals for medical even though it is not a required field). Review the court order information on Screen FOD with the notes attached to the hearing event or the OVSA/OCVL event to ensure they reflect the same. Make sure the financial extensions were entered correctly for csup and arrears if applicable. If the order is for medical support only, make sure the correct docket# format is used.

ENFORCEMENT/NON COURT ACTION

25. Review Tax Intercept Data screen (02.15 NCP's MPI#) and 05.13.
26. Review workman's compensation for NCP (02.06, F6). If there are records present for the NCP was this information verified and I/W initiated? Look for the WWOW participant event. Review EHB also to ensure the correct employer record was built using "5555555555" in the ID field and add notes indicating the source of "other wages". Make sure the WWOW event has process of service information.
27. Review case events, NCP participant event (02.10) and EHB (02.08). Look at when the new employer was found and was information entered on EHB properly to generate income withholding. Look for the following case events associated with income withholding: WNOW (Original Notice of Obligation) and WWOW (Notice to Income Other Than Wages). Make sure service of process information was entered for these events.
28. Review EHB (02.13) and case events (02.10). Make sure the Employer Compliance field is set correctly and service information was entered on the I/W event so that ACTS can monitor employer compliance. Review the WMJE case event to see if action was taken. Was process of service information entered or "OOPs" if not sent to employer. Does a TCEM exist reflecting the agent has contacted the employer to resolve the problem? Was the employer record closed if the NCP is no longer employed?
29. Review case events (02.10), medical availability field on EHB (02.08) and the Medical Support Services field on FOD (02.16). Were these fields completed per IV-D policy and ACTS procedures? Review the Medical Insurance Availability Field on EHB (02.08) and the Medical Insurance Record (02.07). Was the medical insurance field properly completed and notes entered regarding availability of insurance? Was the medical insurance record created and all participants added? Does the employer reflected on the medical insurance record reflect the same EIN# attached to the employer on EHB?

Enforcement Court Action

30. Review scheduling maintenance (03.02) for the desired period. Was the correct type hearing scheduled? Review case events (02.10). Was the hearing dispositioned correctly per the results of the court hearing and through the scheduling maintenance? (Note: if the

hearing remains on the scheduling maintenance and a disposition is entered on the case events, the hearing was dispositioned using the incorrect ACTS procedures.

31. Review case events (02.10). Were the appropriate documents for the action needed on the case for enforcement? Was process of service entered?
32. Review court order (05.05)(current court order), and order payment details (05.02). On the court order look for the “Reason for Mod” field to be completed. While on the FOD screen, F6 (Order Extent) and review the arrears extensions to determine if the arrears are now adjudicated. Now select the adjudicated arrears extension to review the tax intercept indicator.
33. Review case events and notes attached to hearings (02.10). Was all action taken needed as a result of the hearing timely?
34. Review case event (02.10). Look for ECCO (Order for Civil Contempt), EOFA (Order for Arrest) ECON (Order for Continuance) etc events.
35. Review court order (05.05), order payment details (05.02) and calendar month distribution (05.09). Are there adjustments needed to the order and distribution sides. If frequency added to arrears balance, does court order reflect same?
36. Review case events (02.10) to determine if the case processing status was changed to COLL if appropriate.
37. Review case events (02.10) hearing event notes. Is there documentation of medical insurance availability? Also review employer data (02.08) to see if the MED AVAIL field completed for current employer.
38. Review Tax Intercept Data screen (02.15 NCP’s MPI#) and 05.13.

MOD/REVIEW

39. Review case events (02.10). Ensure the review was based on IV-D policy. Look for the RARD case event (Review and Adjustment Denied). Was the correct disposition entered for this event? Review case events (02.10). Make sure the review requested was followed up. Was there re-verification of the NCP’s wages and medical insurance cost?
40. Review case events (02.10) and scheduling maintenance 03.02). Make sure hearing events were created through scheduling maintenance and dispositioned.
41. Review court order (05.05)(current court order), and order payment details (05.02). On the court order look for the “Reason for Mod” field to be completed. While on the FOD screen, F6 (Order Extent) and review the arrears extensions to determine if the arrears are now adjudicated. Now select the adjudicated arrears extension to review the tax intercept indicator.

42. Review court order (05.05), order payment details (05.02) and calendar month distribution (05.09). Are there adjustments needed to the order and distribution sides. If frequency added to arrears balance, does court order reflect same?

Interstate

43. Appropriate FIPS code and Interstate fields updated on screen C8C.
44. Court order information is entered in the Interstate Processing, Interstate Order screen. (12, 10).
45. Review Incoming Cenet transactions (12, 01). Review case events, for CSEnet incoming event codes.
46. Review events for outgoing UISFA event codes. Are CNER worklists found in agent's worklist?
47. Review 12, 02 to see if state is a CSEnet state. Are UISFA events codes in ACTS appropriate for non-CSEnet states?

SECTION VII. A
CHILD WELFARE SERVICES SECTION
Process for Monitoring Local Government Program Subrecipients

Purpose

The Child Welfare Services Section provides services to improve family functioning and to ensure the safety, permanence, and well-being of children. Some of the program services that are used to achieve these outcomes are: Adoption, At Risk Case Management, Child Protective Services, Foster Care Services, and the State Maternity Fund. These federal and state funded child welfare programs and services must be monitored on regular intervals. The purpose of this plan is to establish a formal monitoring plan that will define and review the programs and services to achieve the outcomes listed above.

Program Areas and Services to be monitored.

Area	Federal/State Compliance Number	Subrecipients to be monitored	SFY 2009 Projected Expenditures	Review Tool
Adoption	CS-93.658-4CL 93.667	Attachment 1	\$111,367,492.00	Attachment B and D
At-Risk Case Management *from DAAS/PMD Section	CS-93.556	Attachment 1	\$7,136,202.00	Attachment A for Tool and Instructions
Child Protective Services-CPS	CS-93.658-4CL	Attachment 1	\$180,630,421.00	Attachment B
Foster Care Services	CS-93.658-2CL	Attachment 1	\$155,807,344.00	Attachment B for SSBG Tool and Instructions C IV-E tool
State Maternity Fund	93.645.1	Attachment 1	1,060,569.00	Attachment F

Description of Programs:

Adoption

“Adoption is the method provided by law to establish the legal relationship of parent and child between persons who are not so related by birth, with the same mutual rights and obligations that exist between children and their birth parent.” -**Child Welfare League of America, Standards for Adoption Services, Revised Edition, page 11 (From the Family Services Manual-Chapter VI Adoption Services).**

The primary purpose of adoption is to help children whose parents are incapable of assuming or continuing parental responsibilities to become part of a new family. To offer additional support to the adoptive families, IV-E Adoption Assistance is available.

1. IV-E Adoption Assistance

Many children available for adoption are eligible for monthly maintenance payments, medical benefits, and other services. Adoption Assistance is available for all children whose status and special needs meet certain criteria. Children who are considered special needs include children with physical, mental, developmental, and emotional disabilities as well as sibling groups, older children, and minority groups. The child's Department of Social Services determines individual eligibility based on specific criteria. The agency then negotiates with adoptive parents to meet needs through an adoption assistance agreement. Adoption Assistance payments begin for qualified children after the final order of adoption. The monthly adoption assistance payment in North Carolina is computed on a graduated level based on the age of the child. IV-E Adoption Assistance is monitored by the Division's Child Welfare monitors.

2. Non IV-E Adoption Assistance

Child Welfare Monitors review the use of SSBG and TANF Transferred to SSBG related to the services provided through Adoption and Foster Care Services. These services are Administrative costs charged to these funding sources

3. Special Children Adoption Fund Program

Division staff provides opportunities for ongoing technical assistance and support to help subrecipient partners reach project goals. An individual monitoring schedule is developed for each agency participating in the Special Children Adoption Fund Program that includes the following activities:

- a. Desk Monitoring** – staff reviews copies of monthly reimbursement request (*DSS-1571, part IV*) to ensure complete and accurate documentation regarding client eligibility, appropriate payment level for activity and compliance with all program requirements.
- b. Annual Onsite Reviews** – staff selects a sample of cases to be read on visit to ensure case documentation reflects services for which reimbursements have been requested and compliance with all applicable laws and program requirements. Opportunities are provided for discussion of deliverables and problem issues.

Child Protective Services

Protective services are legally mandated, non-voluntary services for families that encompass specialized services for maltreated children (abused, neglected, and/or dependent) and those who are at imminent risk of harm due to the actions of, or lack of protection by, the child's parent or caregiver. Child Protective Services, provided by county Departments of Social Services, are designed to protect children from further harm and to support and improve parental/caregiver

abilities in order to assure a safe and nurturing home for each child. Generally, such services provided in the homes of these families are preventive, rehabilitative, and non-punitive with efforts directed toward identifying and remedying the causes of the maltreating behavior. This is accomplished through parent/caregiver cooperation and consent or, in the event conditions pose serious issues for the child's safety, through the agency's petition to the court.

When the safety of the child cannot be assured, the county Department of Social Services takes the child into legal custody. Child Protective Services are available 24 hours a day, 7 days a week through all 100 county Departments of Social Services in North Carolina.

Program Monitoring for CPS Intake and Assessments and Foster Care and Adoptions occurs through the Child and Family Services Review (CFSR) process and by Children's Programs Representatives.

Foster Care Services

Foster Care Services include temporary substitute care provided to a child who must be separated from his/her parents or caretakers when the parents or caretakers are unable or unwilling to provide adequate protection and care. Foster Care Services are designed to strengthen, preserve, and/or reunite families after children have come into agency legal custody or placement responsibility. Every child needs and deserves a stable, permanent home that is safe and that provides love, care, and nurture. North Carolina law defines a safe home as one in which a child is not at substantial risk of physical or emotional abuse or neglect. North Carolina law defines reasonable efforts as the diligent use of preventive or reunification services by a department of social services when a juvenile's remaining home or returning home is consistent with achieving a safe, permanent home for the juvenile within a reasonable length of time. County Departments of Social Services are required to provide services to preserve or reunify families until the court has made a determination that reunification would be futile or inconsistent with the child's need for safety and permanency within a reasonable length of time.

1. IV-E Foster Care

Foster parents receive financial compensation from the placement agency for a child's room, board, and other living expenses. Sometimes there are supplemental payments for the care of children with special needs. The amount of the financial compensation may vary based on the individual needs of the child in foster care. Title IV-E Foster Care is monitored by the Division's Child Welfare monitors.

2. Non IV-E Foster Care

Child Welfare Monitors review the use of SSBG and TANF Transferred to SSBG related to the services provided through Adoption and Foster Care Services. These services are Administrative costs charged to these funding sources

At Risk Case Management Services

At Risk Case Management Services is a Medicaid reimbursable targeted case management service provided by county departments of social services. It is used by both Adult and Child Welfare Services. The purpose of case management services for adults and children at risk for abuse, neglect, or exploitation is to assist them in gaining access to needed medical, social, educational, and other services, to encourage the use of cost-effective medical care by referrals to appropriate providers, and to discourage over-utilization of costly services. At Risk Case Management Services are monitored by the Child Welfare monitors.

At Risk Case Management monitoring services are currently under evaluation by the Division of Social Services. Monitoring activities may include Site visits or Desk audits.

The State Maternity Home Fund (SMHF)

The SMHF is not allocated to subrecipients. It is a payment made directly to providers based on the admission of eligible individuals to their facilities. Each application for care paid for by the State Maternity Home is reviewed for approval by the State Maternity Fund Coordinator. Approval is contingent upon the availability of funding. All State Maternity Home Fund applications are reviewed and approved by the Coordinator prior to the authorization of funds. An individual is eligible for residential care for up to six months or 183 days. If a client is eligible, TANF funding can cover the first four months or 120 days of the 183 day total. The Coordinator authorizes the period of eligibility (beginning and ending dates) for an individual and notifies the DHHS Controller's Office to encumber funds for the specified number of days of care at an established rate for the home. The Coordinator reviews and approves individual invoices from each Service Provider, after monthly residential care is delivered, and notifies the DHHS Controller's Office to process payments. In the event that care is no longer necessary, prior to the end of the authorization period, funding is unencumbered. No sample is necessary since one hundred percent of the caseload is reviewed and approved independently.

The process for issuing State Maternity Funds, for residential services, is initiated at the local level by an assigned Case Worker from the County Department of Social Services or a Licensed Private Adoption Agency. The Case Worker is responsible for interviewing clients, building a service plan, and determining the services needed. If residential services are deemed necessary, an application (Form DSS-6187) is submitted to the State Maternity Fund Coordinator to review and determine eligibility based on Pregnancy Services guidelines. Approval for applications are issued on a Notice of Action funding authorization (DSS-6188) and distributed to the Case Worker and Service Provider. In addition, the funding approval is distributed to the DHHS Controller's office for encumbrance of funding.

The DHHS Controller's office issues a preliminary monthly statement to Service Providers, detailing approved placement information for clients receiving services. The Provider reviews the preliminary statement, determines the need for any changes or input of client discharge data and updates the statement to reflect correct enrollment information. After the review and any applicable changes, the Provider certifies services provided by signing and dating the statement. The completed statement is forwarded to the State Maternity Fund Coordinator for final

approval. After review, the Coordinator approves the payment and returns the statement to the DHHS Controller's office for processing of payment directly to the service provider. Further, the State Maternity Coordinator manages the monitoring activities for this program.

Supplement Number (Note A)	State Project/Program	Division If Applicable	Types of Compliance Requirements (Note B)														
			CC	A	B	C	D	E	F	G	H	I	J	K	L	N	M
93.558-3	Work First Program	DHHS-DSS	Y	Y	Y	Y	-	Y	Y	Y	Y	Y	Y	-	Y	Y	Y
93.658-2CL	Title IV E Maximization Program and State Funds	DHHS-DSS	Y	Y	Y	Y	-	Y	Y	Y	Y	Y	-	-	Y	Y	Y
93.658-4CL 93.659	Foster Care and Adoption Programs	DHHS-DSS	Y	Y	Y	Y	-	Y	Y	Y	Y	Y	-		Y	Y	-
93.667-1	Social Services Block Grant		Y	Y	Y			Y		Y	Y	Y	Y		Y		Y
93.667-13	TANF transferred to SSBG		Y	Y	Y	-	-	Y	-	Y	Y	Y	-	-	Y	-	-
93.659	IV-E Adoption Assistance		Y	Y	Y	-	-	Y	Y	Y	-	Y	-	-	Y	-	-
93.658	IV-E Foster Care Maintenance		Y	Y	Y	-	-	Y		Y			-	-	Y	-	Y

Types of Compliance Requirements

CC	Crosscutting Requirements (see Section D)	D	Davis-Bacon Act	H/8	Period of Availability of Federal Funds	L/12	Reporting
A/1	Activities Allowed or Unallowed	E/5	Eligibility	I/9	Procurement and Suspension and Debarment	M/13	Subrecipient Monitoring
B/2	Allowable Costs/Cost Principles	F/6	Equipment and Real Property Management	J/10	Program Income	N/14	Special Tests and Provisions
C/3	Cash Management	G/7	Matching, Level of Effort, Earmarking	K/11	Real Property Acquisition and Relocation Assistance	15	Conflict of Interest

Notes

A. The presence of "CL" in the supplement number indicates that the program is a cluster. See the compliance supplement for composition of the cluster.

B. The presence of "Y" on the matrix indicates this type of compliance requirement may apply to the Federal program. The auditor should use Part 3 of Section A and the compliance supplements in Section B in planning and performing the tests of compliance required by state agencies. This is in addition to the requirements, if any, in the Federal Compliance Supplement reproduced in Section A.

The presence of a dash (-) indicates the program normally does not have activity subject to this type of compliance requirement. Auditors should determine the compliance requirements applicable to the program. The auditor is responsible for reviewing applicable laws, regulations, contract and grant agreements, notifications from awarding agencies and any other applicable documentation in order to determine compliance requirements which could have a direct and material effect on major programs.

Core Areas to be monitored

The OMB Circular A-133 specifies fourteen (14) areas of compliance monitoring. North Carolina has an additional requirement that policies prohibiting conflict of interest be reviewed for non-profit subrecipients. Depending on the program and type of funding, all 14 core areas may not be applicable to the funding source.

The core areas of compliance monitoring involve fiscal monitoring (i.e., review of financial statements and audit findings and internal control questionnaires) and program monitoring (i.e., determination of whether the eligibility criteria were met or review of the scope of work to see if the objectives of the contract have been met). Following is a brief description of each of the core areas:*

A/1: Activities Allowed or Unallowed: This requirement refers to specific activities identified in the grant agreement, contract, allocation, letters, policy manuals and state or federal regulations that are allowed or that may be unallowed. The purpose of this requirement is to provide reasonable assurance that State and Federal funds are used for the intended purposes.

B/2: Allowable Costs/Cost Principles: This requirement seeks to assure that the costs paid to the contractor are reasonable and necessary for the operation and administration of the program and that the subrecipient uses an acceptable method of allocating costs, including indirect costs.

C/3: Cash Management: This requirement is only applicable if the contractor receives an advance of funds from NCDSS of more than 60 days from when the funds would ordinarily be disbursed. In accordance with the DHHS Cash Management Policy, the Controller's Office is responsible for reviewing the cash needs of subrecipients that receive advances every three months to determine whether or not the advance represents more than a 60-day cash requirement.

D: Davis-Bacon Act: This requirement is not applicable to DHHS subrecipients. It is a federal law that applies to contractors with contracts for more than \$2,000 financed by federal dollars where laborers and mechanics are employed.

E/5: Eligibility: This requirement ensures that only those individuals and organizations that meet the eligibility requirements for receiving services or financial assistance from the program participate in the program. The eligibility requirement for an individual diagnosis, risk factors, medical necessity criteria, income, etc. Similarly, an organization may qualify to participate in a program based on the extent to which the type of program and the mission of the organization are consistent with the requirements of the funding source.

F/6: Equipment and Real Property Management: This requirement refers to tangible property that has a useful life of more than one year and costs more than \$5,000. Such equipment may only be purchased per the conditions of the approved contract or grant agreement.

G/7: Matching, Level of Effort, Earmarking: These requirements are specifically addressed in the grant documents, allocation letters, contracts and state or federal regulations.

Matching refers to the specific amount or percentage of funds the subrecipient is required to match the state or federal grant. The matching portion must be verifiable in the accounting records, incurred during the period of the award, must not be used to meet the match of another program, allowable under cost principles and derived from non-federal or non-state funds unless specifically authorized.

Level of Effort refers to the specific level of service that must be provided (e.g., the number of clients the subrecipient must serve) or a specified level of service (e.g., maintenance of effort) or the requirement that federal or state funds may only be used to supplement the non-state or non-federal funding of the service.

Earmarking refers to the requirement that an amount or percentage of a program's funding must be used for specific activities.

H/8: Period of Availability of Federal Funds: This requirement refers to the time period authorized for state and federal funds to be expended. State funds are authorized for the fiscal year (July 1 – June 30); however, NCDSS may allow a subrecipient to carry forward unexpended funds into the next fiscal year. Most federal funds allow additional time after the end of the grant period for obligations incurred during the grant period to be paid.

I/9: Procurement and Suspension and Debarment: This requirement assures that the subrecipient follows the state and federal policies and procedures for procurement, that the subrecipient has not been suspended or disbarred from receiving funding from the state or federal government, and that the subrecipient does not use federal funds to purchase goods or services costing more than \$100,000 from a vendor that has been disbarred by the federal or state government..

J/10: Program Income: The purpose of this requirement is to assure that program income is being used appropriately. This requirement refers to the gross income received by the subrecipient on activities, services or goods purchased with state or federal funds. Program income may be used to provide matching funds when approved by the state or federal agency.

K/11: Real Property Acquisition and Relocation Assistance: This requirement does not apply to DHHS.

L/12: Reporting: Contract administrators are required to monitor the financial, performance and special reporting of the subrecipient in order to provide assurance that funds are being managed efficiently and effectively to accomplish the objectives of the program as specified in the compliance supplement, applicable laws and regulations, and contract or grant agreements.

M/13: Subrecipient Monitoring: Contract administrators are required to provide assurance that any NCDSS subrecipient that subcontracts with another agency monitors the agency with which the subrecipient subcontracts as specified in the compliance supplement for the funding source.

N/14: Special Tests and Provisions: Contract administrators must provide assurance that all special requirements found in the laws, regulations, or the provisions of the contract or grant

agreement are monitored appropriately. Such special tests and provisions may relate to fiscal and/or programmatic requirements or may include actions that were agreed to as part of the audit resolution of prior audit findings or in corrective action plans identified as a result of monitoring reviews.

15: Conflict of Interest: This requirement applies to any private, non-profit entity eligible to receive state funds, either by General Assembly appropriation, or by grant, loan or other allocation from a State agency (S.L. 1993-321, Section 16 of the Appropriations Act). An agency official is required to sign a notarized copy of the policy before a contract is executed. Copies of the organization's attestation to the Conflict of Interest Policy is kept by the Contract Management & Development Team in the organization's file. The Division's Conflict of Interest Policy for Private Not-for Profit Agencies can be found in Attachment D.

The applicable compliance requirements for a funding source are outlined in the compliance supplement for the specific federal or state program. In cases where a program is funded by multiple funding sources, the funding source with the most stringent requirements would be the criteria used to monitor the program. The compliance supplement identifies those core areas which at a minimum must be monitored. Monitors are not precluded from looking at additional areas as long as the minimum core areas are also examined. (See Attachment E for an overview of compliance requirements for each program for which NCDSS is the pass-through entity). Monitoring the compliance requirements helps to fulfill part of the intent of the Federal Financial Assistance Management Improvement Act of 1999 (i.e., to improve the effectiveness and performance of federal financial assistance programs).

*Note: With the exception of the Davis-Bacon Act (D) and the Conflict of Interest (15) requirement, the federal and state requirements are the same. The alphabetic code denotes how the federal requirement is referenced. The numeric code is the corresponding state code for that core area.

Monitoring Staff

In the Child Welfare Services Section, **two** Program Compliance Monitors conduct the monitoring for the many of child welfare programs. In addition to the Program Compliance Monitors, there are Program Coordinators within the Child Welfare Services section conducting the monitoring for their specific program area. In SFY 2007-2008, an Office Assistance V was designated as a support to assist with the maintenance of the DHHS monitoring database.

Staff Performing Subrecipient Monitoring and Related Support Activities are identified below:

Lead Monitoring Coordinator	
James Clark	Child Welfare Services, Child Support Enforcement, Family Support and Economic Independence
Lead Monitors	
Carla McNeill	Child Welfare Services,
Kristin O'Connor	Family Preservation and Support
Contract Administrators	
Kristin O Connor	After School Programs for At Risk Students
Kristin O Connor	Family Violence Prevention
Kristin O'Connor	Promoting Safe and Stable Families
Gail McClain	Child Welfare Collaborative
Program Compliance Monitors	
Gloria Duncan	IV-E Foster Care, IV-E Adoption Assistance, ARCM and Social Services Block Grant
Bernard Norfleet	IV-E Foster Care, IV-E Adoption Assistance, ARCM and Social Services Block Grant
Tina Bumgarner	State Maternity Homes
Patrick Betancourt	Special Children Adoption Incentive Fund
Patrick Betancourt	Adoption/Special Children Adoption Fund
Support Staff	
Pam Johnson	Performance Management

Children's Services Program Representatives (CPRs)
Jeffrey Olson – Program Manager

Janet Thursby	Joy Gossett	Evan Friedel	Susan Sanderson
Bertie	Catawba	Anson	Bladen
Camden	Cherokee	Cabarrus	Brunswick
Chowan	Clay	Gaston	Columbus
Currituck	Graham	Iredell	Cumberland
Dare	Haywood	Lincoln	Duplin
Gates	Henderson	Mecklenburg	Hoke
Hertford	Jackson	Montgomery	Moore
Martin	Macon	Richmond	New Hanover
Pasquotank	Madison	Rowan	Pender
Perquimans	Polk	Stanly	Robeson
Tyrell	Swain	Union	Sampson
Vance	Transylvania		Scotland
Washington	Watauga		
Jeffrey Olson	Roslyn Thompson	Gale Trevathan	Joyce White
Beaufort	Alexander	Chatham	Alamance
Carteret	Allegany	Durham	Caswell
Craven	Ashe	Franklin	Davidson
Edgecombe	Avery	Granville	Davie
Greene	Buncombe	Halifax	Forsyth
Hyde	Burke	Harnett	Guilford
Jones	Caldwell	Johnston	Orange
Lenoir	Cleveland	Lee	Person
Onslow	McDowell	Nash	Randolph
Pamlico	Mitchell	Northampton	Rockingham
Pitt	Rutherford	Wake	Stokes
Wayne	Wilkes	Warren	Surry
	Yancey	Wilson	Yadkin

LBL COUNTY ASSIGNMENTS

James Clark – Regional Program Supervisor

Pat Adcock	Dana N. Sisk	Judy Hopkins
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647 Blanton St. Columbus, NC 28722 Office: 828-894-3007 Fax:704-253-4973 Mobile:	1861 Wesley Road Morganton, NC 28655 Office: 828-438-3797 Fax: 828-438-3797 Mobile: 828-310-2188	P.O. Box 65 Danbury, NC 27016 Office: 336-593-2344 Fax: 336-464-2556 Mobile: 336-613-8123	
Burke	Alexander	Alamance	
Cherokee	Ashe	Alleghany	
Clay	Avery	Caswell	
Cleveland	Buncombe	Davie	
Graham	Caldwell	Forsyth	
Henderson	Haywood	Guilford	
Jackson	Iredell	Randolph	
Macon	Madison	Rockingham	
Polk	McDowell	Stokes	
Rutherford	Mitchell	Surry	
Swain	Watauga	Wilkes	
Transylvania	Yancey	Yadkin	
Gaston	Catawba	Montgomery	
Lincoln	Rowan	Richmond	
Bertie	Pasquotank	Anson	
	Perquimans	Wilson	

Hugh W. Cole	Maggie Parsons Holley		Phil Lassiter
108 Education Ave. Durham, NC 27713 Office: 919-572-7890 Fax: 919- 572-7890 Mobile: 919-805-4436	PO Box 87802 Fayetteville, NC 28304 Office: 910-424-5458 Fax: 910-424-5458 Mobile: 910-308-9912		3437 Belmont Blvd. New Bern, NC 28562 Office: 252-638-1307 Fax: 252-364-3042 Mobile: 252-916-6705
Chatham	Bladen		Beaufort
Durham	Brunswick		Carteret
Franklin	Columbus		Craven
Granville	Cumberland		Dare
Halifax	Harnett		Duplin
Hertford	Hoke		Hyde
Nash	Johnston		Jones
Northampton	Lee		Lenoir
Orange	Moore		Onslow
Person	New Hanover		Pamlico
Vance	Robeson		Pender
Wake	Sampson		Tyrrell
Warren	Scotland		Washington
Mecklenburg	Stanly		Cabarrus
Greene	Union		Davidson
Martin	Camden		Wayne
Gates	Currituck		Pitt
	Chowan		Edgecombe

Monitoring Tools

Standardized monitoring tools and instructions have been developed to monitor the aforementioned program areas. The monitoring tools currently in use are based on applicable laws and regulations that govern the program being monitored. The specific monitoring tools and instructions currently in use are attached to this document. In addition, the monitors will utilize the current DSS-5120 eligibility form in an effort to reconstruct initial eligibility. The current DSS-5120A will also be utilized to validate current eligibility for the period under review (PUR). The 5120 and 5120A are not attached to the monitoring plan. Rather they are included in the Child Welfare Funding Manual and the Child Welfare Program Compliance Monitors will use the forms that are included in the policy manual.

Monitoring Schedule

The Child Welfare Program Compliance Monitors will keep the same assigned counties for two years. Afterwards, the monitors' county assignments will rotate. Each monitor will schedule monitoring activities for the counties that fall in his/her assigned area. The monitoring activity may take the form of site visits, desk audits, review of sub-recipient reports, and other methods as determined necessary.

The Child Welfare monitors will complete IV-E Foster Care reviews for 33 counties annually. Refer to the section on sample size for additional information. The following documents the number of counties scheduled for an annual review in each program area:

At Risk Case Management (ARCM)	IV-E Adoption Assistance	IV-E Foster Care	Social Services Block Grant (SSBG)
33	33	33	33

At Risk Case Management (ARCM), IV-E Foster Care, IV-E Adoption Assistance, and SSBG are monitored every three years.

Annual self-assessment reports and summaries are provided to the Program Compliance Monitor for all services. Site visits may not occur if staffing issues arise. In the event an on site visit does not occur, the monitor can use the self assessment report and other tools to complete desk monitoring.

Sample Size

County Departments of Social Services are divided into three levels. These levels are fairly standardized across the Division of Social Services and are used by other Sections in the Division of Social Services for monitoring and reporting purposes. The sampling process will be the same for all counties based on the county's level, as defined below. In any case, if the county does not have the minimum number of sample cases to review, all the cases in that program area will be reviewed for the county. The county levels are defined on the following page. Because the monitoring system uses the county level to determine sample size, number of visits, and other

monitoring decisions, the attached county level listing will be used for the entire monitoring year, which corresponds to the State Fiscal Year.

LEVEL I COUNTIES Sample Size	LEVEL II COUNTIES Sample Size	LEVEL III COUNTIES Sample Size
IV-E Foster Care 5 cases	IV-E Foster Care 10 cases	IV-E Foster Care 12 cases
IV-E Adoption Assistance-5 cases	IV-EAdoptionAssistance-5 cases	IV-E Adoption Assistance-5 cases
SSBG 5 cases	SSBG 5 cases	SSBG 5 cases
ARCM 5 cases	ARCM 5 cases	ARCM 5 cases

Oversample Cases

During the random case selection process, monitors should only be selecting cases that have been identified as using the services by the code entered on the 5094, 5095, 5027, day sheet, or other coding document. If the case was improperly keyed on the day sheet, 5094, 5095, 5027, or other coding document, then that results in an error and not a need to select another case for sampling. In the unusual circumstance that a substitute case is necessary, the monitor will proceed with another case selection. The oversampling should be a part of the monitor’s review preparation and case selection process. The additional cases shall be stated in the notification letter as “oversampling”, this will allow the county to prepare the additional cases. One case per program area should be selected for oversample and will be included in the monitoring notification letter. The Child Welfare monitor and/or team supervisor will make the determination to select an oversample case.

List of 100 County Departments of Social Services by County Level

COUNTY LEVEL I

Alexander	Gates	Pamlico
Alleghany	Graham	Pasquotank
Anson	Granville	Pender
Ashe	Greene	Perquimans
Avery	Hertford	Person
Bertie	Hoke	Polk
Bladen	Hyde	Richmond
Camden	Jackson	Stanly
Caswell	Jones	Stokes
Chatham	Lee	Swain
Cherokee	Macon	Transylvania
Chowan	Madison	Tyrrell
Clay	Martin	Warren
Currituck	McDowell	Washington
Dare	Mitchell	Watauga
Davie	Montgomery	Yadkin
Franklin	Northampton	Yancey

COUNTY LEVEL II

Alamance	Halifax	Randolph
Beaufort	Harnett	Robeson
Brunswick	Haywood	Rockingham
Burke	Henderson	Rowan
Cabarrus	Iredell	Rutherford
Caldwell	Johnston	Sampson
Carteret	Lenoir	Scotland
Cleveland	Lincoln	Surry
Columbus	Moore	Union
Craven	Nash	Vance
Davidson	Onslow	Wayne
Duplin	Orange	Wilkes
Edgecombe	Pitt	Wilson

COUNTY LEVEL III

Buncombe	Durham	Guilford
Catawba	Forsyth	Mecklenburg
Cumberland	Gaston	New Hanover
		Wake

The Review Process

Notification Requirements

The monitors will send a notification letter to the county no later than 30 calendar days prior to the scheduled review date. The notification letter will include:

1. The date(s) of the review,
2. Sample cases and oversample cases selected for the review,
3. The period under review

Determining the Period Under Review

The period under review is determined to be the six (6) month period prior to sending the notification letter. For example, if the county's review date is scheduled for July, the notification letter would be sent in June to comply with the notification requirements. However, the period under review would be six (6) months prior to the month the notification letter is being sent out. Therefore, the review period would be December through May.

Rescheduling an Onsite Review

Once a review is scheduled, due to the potential impact of the PUR, counties are not able to reschedule. The decision to reschedule must have approval from Division Management Staff.

In the event the scheduled review date is changed, the period under review may need to change as well, in order to comply with 'period under review' determination policy written above.

A rescheduled monitoring visit should have in the file:

1. A written request from the department of social services
2. The written response to the request from the Division Management Staff
3. A revised notification letter sent to the county with any adjustments to the PUR, etc.

The Review

For site reviews, the Program Compliance Monitors will conduct an entrance conference with the county to reiterate the information in the notification letter and address questions from county staff. After the entrance conference, the review should begin. A 'Summary of Findings', that addresses deficiencies and tentative findings/errors, will be given to the county during the exit conference.

For all reviews, the Monitors will review all necessary documents before making a finding, which may include but is not limited to: dictation, court orders, case plans, eligibility verifications, etc. Further, the monitor will be expected to conduct any necessary interviews with the county staff in order to complete the appropriate standardized review instrument. A written monitoring result report will be provided to the county no later than 30 calendar days of

completion of the review. The county can request an appeal no later than 30 calendar days from the date of the written monitoring result report.

Program Non-Compliance

Within 30 days of the on-site review, a final results report of the findings will be completed by the monitor and sent to the county and the Children's Program Representative (CPR). This report will include information concerning the monitoring findings, including any areas of non-compliance, and the appeal process. If the county chooses not to appeal the findings, the county will develop a Corrective Action Plan no later than thirty (30) calendar days of the date of the final results report. The CPR will work closely with the county to develop the Corrective Action Plan and to resolve the findings. Once the Corrective Action Plan is complete a copy should be sent to the Program Compliance Monitor responsible for the monitoring of that county. If the county selects to implement the option to appeal the monitoring findings, the county must notify the Division of Social Services and the Monitor within thirty (30) calendar days of the final results report. The intent to appeal should be filed with the:

North Carolina Division of Social Services
Kevin Kelley, Assistant Chief
Child Welfare Services Section
325 N. Salisbury Street
Mail Service Center 2438
Raleigh, NC 27699-2438

The Division of Social Services has thirty (30) calendar days from the notice to appeal in which to make a decision. If the findings are overturned by the Division, the county will be notified in writing of the decision. The case will then be closed. If the findings are upheld by the Division, the county has thirty (30) calendar days to complete a Corrective Action Plan (CAP) with their CPR. A blank corrective action plan is included in the monitoring plan in **Appendix E** and is available for use. Complete and final closure to the monitoring process will occur when the corrective action steps have been completed. The CPR will provide the completed referral form to the monitor within thirty (30) calendar days of the final results report.

Payment Adjustments

In the cases of a County Responsible Overpayment, the LBL will work with the county to complete a Payment Adjustment Referral (PAR) Form, within 30 calendar days of the final results report. A blank (PAR) form is located in **Appendix F** and is available for use. This form should be complete and a copy provided to the monitor. If the county intends to file an appeal, the intent to appeal instructions listed above should be followed.

In the event an appeal is filed and the monitoring decision (s) are upheld, the LBL has 30 days to complete a Payment Adjustment Referral Form with the county and the LBL shall provide a copy to the monitor.

In May 2006, the North Carolina Department of Health and Human Services, Division of Social Services implemented a protocol for recouping County Responsible Overpayments of Title IV-E

Funds for over payments. This process was revised again in the fall of 2008 and again in January 2009 and is as follows:

- 1) The Child Welfare Program Compliance Monitors will provide a written final result report within 30 days of the completion of the review to the following:
 - a. The county department of social services
 - b. The CPR and the team leader
 - c. The LBL and the team leader
 - d. Monitoring team leader
 - e. Financial Resource Coordinator

- 2) On the same date of the result report, the Monitor will provide the LBL with a Payment Adjustment referral form and the CPR with a Corrective Action Plan form. The forms will contain at minimal, the case findings, SIS#, and questioned cost.

- 3) The Program Compliance Monitoring Manager and/or the IV-E Coordinator may review IV-E Foster Care findings before adjustments are made.

- 4) When a county indicates it does not intend to appeal, within 30 calendar days of receipt of the letter from the Child Welfare Compliance Monitor regarding the monitoring results, the amount of the County Responsible Overpayments for Maintenance (board) and Admin Costs (per 1571) , if any, must be determined and adjusted. In determining the amount of ineligible payments, the entire period of ineligibility must be included in the calculations, not just the period under monitoring review. This applies even if the period of ineligibility crosses into a previous state fiscal year. Any federal funds disbursed for an ineligible or otherwise un-reimbursable child must be recouped. This includes non-error cases (because ineligible payments were made outside the PUR) with ineligible payments.

- 5) When ineligible payments are discovered for Title IV-E Foster Care and Social Services Block Grant (SSBG), the Financial Resource Coordinator will:
 - a) Calculate the IV-E Maintenance overpayment, if applicable.
 - b) Make the adjustment
 - c) Notify the DHHS Controller Office to deduct the payment
 - d) Post the corrections to the Child Placement and Payment System.
 - e) Provide final Adjustment copies to the county, the CPR, LBL and the Monitor.

- 6) When ineligible payments are discovered for IV-E/SSBG the LBL will:
 - a) Work with the county to calculate the Title IV-E/SSBG Administrative overpayment, if applicable.
 - b) Ensure that the 1571 reflects appropriate adjustment(s).
 - c) Report any adjustment crossing into a previous fiscal year, to the Controller's Office as required in the Fiscal Manual.

- d) Work with county in completing a payment adjustment referral form. A blank payment adjustment referral form is included in **Appendix F** of this plan and is available for use.
 - e) Provide a completed copy of the Payment Adjustment Referral form to the Program Compliance Monitor within the time frames established in the monitoring plan.
7. When ineligible payments are discovered for IV-E/SSBG the CPR will:
- a. Assist the county with any corrective action related to policy clarification or training issues.
 - b. Assist the county in completing a corrective action plan. A blank corrective action plan is included in **Appendix E** of this plan and is available for use.
 - c. Provide a copy of the Corrective Action Plan to the Program Compliance Monitor within the time frames established in the monitoring plan.

In October of 2008, the Division implemented a protocol for recouping County Responsible Overpayments for applicable IV-E Adoption Assistance error cases. This protocol addresses both County and Client Error Cases and has been revised as indicated below:

1. The Child Welfare Program Compliance Monitors will provide a written final result report within 30 days of the completion of the review to the following:
 - a. The county department of social services
 - b. The CPR and the team leader
 - c. The LBL and the team leader
 - d. Monitoring team leader
 - e. Special Needs Adoption Coordinator
2. On the same date of the result report, the Monitor will provide the LBL with a Payment Adjustment referral form and the CPR with a Corrective Action Plan form. The forms will contain at minimal, the case findings, SIS#, and questioned cost.
3. The Program Compliance Manager and/or the Adoption Coordinator may review the IV-E Adoption Assistance findings before adjustments are made.
4. When a county indicates it does not intend to appeal, within 30 calendar days of receipt of the letter from the Child Welfare Compliance Monitor regarding the monitoring results, the amount of ineligible IV-E Adoption Assistance and Admin Costs (per 1571) , if any, must be determined and adjusted. In determining the amount of ineligible payments, the entire period of ineligibility must be included in the calculations, not just the period under monitoring review. This applies even if the period of ineligibility crosses into a previous state fiscal year. Any federal funds disbursed for an ineligible or otherwise un-reimbursable child must be recouped.

5. The Program Compliance Monitor will:

Provide the CPR, LBL, and the Special Needs Adoption Coordinator with the protocol to recoup ineligible payments which is:

- i) Upon receipt of the monitoring result report, the County is to update DSS 5095 with the correct funding source.
- ii) The County sends the updated 5095 and a letter to the Special Needs Adoption Coordinator detailing the error including the child's name, SIS #, a statement indicating old funding source and the new funding source; and the period covered under the old funding source.
- iii) The Special Needs Adoption Coordinator review and approve the request sent by the county and forwards to the Controller's Office requesting adjustment(s) as appropriate.
- iv) If the county has not taken any action within 30 calendar days of the result report, the Special Needs Adoption Coordinator will use information obtained from the result report to request adjustments as appropriate to the Controller's Office. Inform county of actions taken and request an updated 5095 with the corrected funding source.
- v) The Controller's Office forward final adjustment copies to the Monitor Supervisor, who will maintain and file.
- vi) The CPR will provide a completed copy of the corrective action plan to the Program Compliance Monitor within the time frames established in the monitoring plan.
- vii) The LBL will address the Admin payments, if any, on the payment adjustment referral form APPENDIX F. The LBL will provide this to the Program Compliance Monitor within the time frames established in the monitoring plan.

4. The above actions will post to the PQA 045, which is the Adoption Assistance Adjustment Register.

Process for Single and Special Audits

Single Audit findings are submitted to the Local Business Liaison Manager, as well as other Division management to include Children Representative Team Leader, Monitoring Team Leader, and the Child Welfare Services Assistant Section Chief.

To follow up on the single audits the following steps are generally taken:

1. A written request is submitted to the Children's Program Representative Team Leader for distribution to the CPR's. The CPR's are to:
 - a. Work with the county to resolve the findings
 - b. Assist in the development of a corrective action plan
 - c. Collaborate to generate a collective State response
 - d. Continue to support the local counties in the operation of a Child Welfare program by providing technical assistance and consultation
2. The Program Compliance Manager will gather and analyze the information from the CPR's to:
 - a. Construct a Division response to the findings

- b. Respond to the internal auditor as needed

Findings and responses are entered into the Program Monitoring Database.

Risk Assessment for Subrecipients

Subrecipients will be categorized as low, medium, or high risk based on results from:

- The data collected from previous monitoring activities
- Findings from the single county audit
- Findings and follow-up from any previous deficiencies and/or corrective action or Program Improvement Plans
- Complexity of the program and/or eligibility criteria
- Analysis of relevant evaluation data
- Prior experience with the subrecipient by Division staff (CPR's, LBL's, Section consultants, contract administrators, etc.)
- Past experience with paybacks
- Evaluation of the "Subrecipient Self-Assessment of Internal Controls and Risks" completed annually by county Departments of Social Services
- Any other self assessment provided by the county or contract provider
- Any other relevant factors identified by the PCM

Based on the determination of risk, a schedule will be developed for more comprehensive monitoring for subrecipients determined to be high-risk while they remain high-risk. Increased frequency of on-site monitoring visits or desk reviews, corrective action plans and progress reports, and/or expanded sample sizes will be used to conduct more comprehensive monitoring for high-risk subrecipients. Low and medium risk subrecipients will be monitored at least once every three years according to an established schedule once baseline data is collected, unless other requirements for frequency take precedence.

Updating the DHHS Monitoring Database

The DHHS Monitoring Website must be updated within 45 calendar days from date of the monitoring review or based on the availability of the database for data entry. This is extremely important as other sections/divisions use the results in their risk assessment. Each contract manager will update the monitoring website with the results/findings of monitoring visits (including corrective action plans), assignment of risk assessment, status of follow-up activities for prior year findings and status of paybacks, and schedule of On-site Reviews/Desk Reviews for the current SFY. In addition a Year end monitoring Report must be completed within 45 calendar days of the end of the State Fiscal Year. Since all contracts do not end on June 30, some monitoring will be not be completed by June 30 of each year. In this instance the results of the monitoring for the period July 1, until the contract ending date will be included in the next SFY Monitoring Data Base.

Compliance Monitors are responsible for the maintenance of monitoring documentation and entering all pertinent information into the DHHS Program Monitoring Database. Monitoring

data is periodically entered into the data base after all county appeals are resolved. The year end report is completed after all county monitoring documentation has been entered in the data base after the close of the fiscal year

Maintenance of Monitoring Documentation

Monitoring tools, relevant verification information, compliance findings, corrective action plans, initial and follow-up correspondence will be maintained on DHHS/DSS Shared Drive in the Monitoring, Child Welfare Section.

Child Welfare Program Compliance Monitor County Assignments

Monitoring Team Leader: Carla McNeill

Phone Number: (919)334-1105

Fax Number: (919)715-6714

Email address: Carla.McNeill@dhhs.nc.gov

Bernard Norfleet		Gloria Duncan	
Phone: 252-243-2348		Phone: 910-610-4272	
Fax: 252-243-2348		Fax: 910-277-7697	
Bernard.Norfleet@dhhs.nc.gov		Gloria.Duncan@dhhs.nc.gov	
ALAMANCE	HENDERSON	BEAUFORT	MACON
ALEXANDER	HOKE	BERTIE	MADISON
ALLEGHANY	JOHNSTON	BURKE	MARTIN
ANSON	JONES	CABARRUS	MONTGOMERY
ASHE	LINCOLN	CALDWELL	NASH
AVERY	MCDOWELL	CASWELL	NORTHAMPTON
BLADEN	MECKLENBURG	CATAWBA	ORANGE
BRUNSWICK	MITCHELL	CHATHAM	PERSON
BUNCOMBE	MOORE	CHOWAN	PITT
CAMDEN	NEW HANOVER	CLEVELAND	RANDOLPH
CARTERET	ONSLow	DARE	ROCKINGHAM
CHEROKEE	PAMLICO	DURHAM	RUTHERFORD
CLAY	PASQUOTANK	FORSYTH	SCOTLAND
COLUMBUS	PENDER	FRANKLIN	STOKES
CrAVEN	PERQUIMANS	GASTON	SURRY
CUMBERLAND	POLK	GATES	SWAIN
CURRITUCK	RICHMOND	GREENE	TRANSYLVANIA
DAVIDSON	ROBESON	HALIFAX	TYRRELL
DAVIE	ROWAN	HARNETT	WAKE
DUPLIN	SAMPSON	HERTFORD	WARREN
EDGECOMBE	STANLY	HYDE	WASHINGTON
GRAHAM	UNION	IREDELL	WATAUGA
GRANVILLE	VANCE	JACKSON	WAYNE
GUILFORD	YADKIN	LEE	WILKES
HAYWOOD	YANCEY	LENOIR	WILSON

**SOCIAL SERVICES BLOCK GRANT (SSBG)
and TANF transferred to SSBG SOCIAL SERVICES BLOCK GRANT (SSBG)
MONITORING TOOL**

County:	Review Date: / /	
Review period: / / to / /	Sample Number:	
Reviewed by:	SIS ID:	
Child's Name:	Date of Birth: / /	
Service/Program Code: <small>(Service) (Program code)</small>		

Where N/A is shaded, the answer must be Yes or No. Boxes outlined in bold indicates potential case error and or ineligibility.

	YES	NO	NA
I. ELIGIBILITY CRITERIA FOR SERVICE			
1. Child is a US citizen or a qualified alien	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Child is in foster care	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Child is in an adoptive placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Child has been adopted	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Child is defined as a reasonable candidate for foster care <i>(applies to CPS service 215 only)</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comments:			
II. APPLICATION FOR SERVICE			
1. DSS-5027 or Family Service Agreement or approved equivalent is in the record	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Name of specific service is listed	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Service Request Dated (MM/DD/YY) / / <i>(If Yes, record the date that opened the requested/needed service. This can be obtained by one of the following: DSS-5027, Family Service Agreement, Adoption Assistance Agreement or an approved equivalent such as a VPA or Case Service Plan. State what document was used to obtain date in 'comments')</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Signed and dated by client or representative ('NA' for Foster Care and Adoption Services)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Signature witnessed- if signed with (X) ('NA' for Foster Care and Adoption Services)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comments:			

III. DECISION ON ELIGIBILITY FOR IV-E FUNDS			
1. Service claimed is an allowable IV-E service <i>If checked 'No', skip the remainder of this section and continue at section IV.</i>	<input type="checkbox"/>	<input type="checkbox"/>	
2. Child is IV-E eligible IV-E Eligibility established (MM/DD/YY) / / <i>If checked 'No', skip the remainder of this section and continue at section IV.</i>	<input type="checkbox"/>	<input type="checkbox"/>	
<i>If one of the following is checked 'Yes', the case is an Error.</i>			
3. Child is IV-E and is in a licensed foster care home/facility	<input type="checkbox"/>	<input type="checkbox"/>	
4. Child is IV-E and is in an adoption placement <i>(child has been adopted)</i>	<input type="checkbox"/>	<input type="checkbox"/>	
5. Child is IV-E and is placed with a relative who is actively pursuing FH license.	<input type="checkbox"/>	<input type="checkbox"/>	
6. Child is IV-E and placement is a trial home visit that does not exceed 6 months Trail home visit began: / /	<input type="checkbox"/>	<input type="checkbox"/>	
Comments:			
IV. DECISION ON ELIGIBILITY FOR SERVICE and PROGRAM			
1. Documentation indicates child is in need of the service <i>(Petitions, Case Service Plan, narratives are examples of documents that can support need)</i>	<input type="checkbox"/>	<input type="checkbox"/>	
2. Service and the program is available without regard to income <i>(The SSBG Program which is identified as code "X", provides CPS-in home service, Foster Care and Adoption SERVICES without regard to income. TANF transferred to SSBG is code 'V' and is based on income.)</i>	<input type="checkbox"/>	<input type="checkbox"/>	
3. Income is determined and documented <i>(Can be found on the 5120 and/or the 5120A. 'NA' if monitoring code 'X')</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Income eligibility period is documented and covers the PUR <i>(Can be found on the 5120 and/or the 5120A. 'NA' if monitoring code 'X')</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Child's own income total at or below 200% of the Federal Poverty Level <i>('NA' if child has been adopted)</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Adoption has been finalized and Adoptive parents' income total at or below 200% FPL <i>('NA' if child has NOT been adopted)</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Child is defined as a reasonable candidate for foster care <i>(applies to CPS service 215 only)</i> <i>('NA' if child is in foster care or has been adopted)</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. The service claimed is an allowable IV-E service	<input type="checkbox"/>	<input type="checkbox"/>	
9. The service claimed is an allowable SSBG service	<input type="checkbox"/>	<input type="checkbox"/>	
10. The service claimed is an allowable TANF transferred to SSBG service <i>(CPS 215, Links 135 and 136 cannot utilize TANF transferred to SSBG program code 'V')</i>	<input type="checkbox"/>	<input type="checkbox"/>	
11. Decision is consistent with eligibility criteria for the service(s)	<input type="checkbox"/>	<input type="checkbox"/>	

Comments:			
VI. ONGOING SERVICE PROVISION AND REDETERMINATIONS			
1. Service is provided and is consistent in accordance with policy	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
2. Program coding for service is consistent in accordance with policy	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
3. Contacts are accurately documented on the DSS-4263	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
4. Ongoing eligibility related to need, target population, or income is reviewed and documented quarterly <i>(NA for post-adoption services)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. Redetermination of service eligibility is done annually. <i>(NA: If service has not been open for at least 12 months by the end of the PUR)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6. Eligibility is reviewed within 30 days of a reported change in the client's circumstances	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Reasons for the reduction or termination are clearly documented	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comments:			
 <i>Areas needing improvement:</i> 			
 <i>Issues that result in ineligibility and or unallowable/improper claims:</i> 			

Child is eligible: YES NO

Allowable Claim: YES NO

Title IV-E Foster Care Eligibility On-Site Review Instrument

NON-ERROR CASE: ERROR CASE:

[March 2006 Version]

Underpayments: YES : NO : **Ineligible Payments:** YES : NO :

Each question must be answered. If the question is not applicable, check "N/A" and indicate the reason the question does not apply to the sample case. A question where the "N/A" box is shaded must be answered "yes" or "no". Boxes outlined in **bold** indicate **potential case errors** or **ineligible payments**. Review the instructions for each question for an explanation of how to answer it. The reviewer must verify every eligibility factor and document his/her decisions on the form for each sample case. The form may be annotated with information regarding eligibility and payments. To record additional foster care placements during the period under review (PUR) and data concerning improper payments, the "Licensing/Safety Checklist for Multiple Placements" and "Improper Payment Chart" are appended, respectively. All statutory citations refer to the applicable section of the Social Security Act (the Act). The review instrument is to be completed for the most recent foster care episode. For multiple foster care entries during the PUR, an instrument is completed for each entry. Use pencil and print legibly.

["X" prefix indicates information in this field is confidential and will not be disclosed for any purpose outside of the review].

Sample review period (MM/DD/YY): / / **to** / /

Record the begin date and end date of the 6-month sample PUR. This 6-month timeframe corresponds to the Adoption and Foster Care Analysis and Reporting System (AFCARS) period from which the sample was drawn.

- 1. State Postal Code and Random Sample Selection Number:**
- 2. Case ID:**
- 3. County or Local Office:**
- 4. Review Date (MM/DD/YY):** / /
- 5. Reviewed By:**

A. CHILD INFORMATION

X1. Child's Name:

6. Child's Date of Birth: (MM/DD/YY) / /

7. Child's Age as of First Day of Period Under Review:

B. RELEVANT DATES (may precede PUR)

8. Has there been a valid removal of the child from the home during the most recent foster care episode? Yes No NA

Removal date: (MM/DD/YY) / /

If "yes," enter the date of physical removal or, if a constructive removal, enter the date of the removal court order or the date of the final signature on the voluntary placement agreement. (Constructive removals, i.e., paper removals, apply to removals that occurred on or after March 27, 2000). If "no," the child is ineligible to have title IV-E foster care maintenance payments made on his behalf for the entire foster care episode, the case is in error, and all ineligible payments must be recorded on the attached "Ineligible Payment Chart."

A valid removal has not occurred when a court ruling or voluntary placement agreement sanctions the removal of the child from the parent or another specified relative and the child is allowed to remain in the same specified relative's home under the supervision of the State agency (see 45 CFR §1356.21(k)(2)). The physical removal from the home must coincide with the judicial ruling or the voluntary placement agreement that authorizes the child's removal from the home and placement in foster care. Question 8 records the date of the child's most recent removal from the home of the parent or another specified relative via a court order or voluntary placement agreement (i.e., legal removal). The removal date is tied to a child's initial eligibility for AFDC (Questions 17-21) and the judicial determinations of "contrary to the welfare" (Question 11) and "reasonable efforts to prevent removal" (Question 12)

9. Date child entered foster care: (MM/DD/YY) / / Yes No NA

For a removal pursuant to a voluntary placement agreement: Indicate "N/A" and proceed to Question 10.

For a removal before March 27, 2000: Indicate "N/A" and proceed to Question 10.

For a removal on or after March 27, 2000: Record the date the child is considered to have entered foster care, which is the earlier of a judicial finding of abuse or neglect or 60 days from the date the child is physically or constructively removed from the home (see 45 CFR §1355.20(a)). This date is required to determine when to obtain the initial judicial determination of "reasonable efforts to finalize the permanency plan" (Question 16).

C. REMOVAL PURSUANT TO A COURT ORDER

[Statutory Citation: §§472(a)(1), 471(a)(15)(B)(i); Regulatory Citation: 45 CFR §1356.21(c)]

10. Is the child's removal the result of a court order? Yes No NA

If the removal is pursuant to a court order, enter "yes" and proceed to Question 11.

If the removal is not pursuant to a court order, enter "no." Questions 11 and 12 are "N/A."

Removal of the child from the home must be pursuant to a judicial order or a voluntary placement agreement that leads to a physical or constructive removal from the home that is the subject of the judicial order or the voluntary placement agreement.

For Questions 11 and 12: The judicial determination must be made in a valid court order, that is, a court order that the State's statute defines as legally enforceable within the State. The precise language "contrary to the welfare" or "reasonable efforts" does not have to be included in the court ruling, but the order must include language to the effect that the required finding is rendered. Federal provisions require the judicial determination to be made on a case-by-case basis; explicitly stated in the court order; signed by a reviewing judge or other State designated court official, if a signature is required in State law; and in conformity with Federal timeframes. Affidavits and nunc pro tunc court orders are not acceptable documentation to support a judicial finding. If an acceptable court order is not furnished, a transcript of the court proceeding is the only alternative to substantiate that the judicial determination requirement is met satisfactorily. If a nunc pro tunc order or affidavit is presented to meet the "contrary to welfare" or "reasonable efforts" requirement, the reviewer must examine the court transcript to verify that the judicial determination complies with the Federal requirements.

Comments: (Please reference question number for each comment.)

C. REMOVAL PURSUANT TO A COURT ORDER *Continued*

[Statutory Citation: §§472(a)(1), 471(a)(15)(B)(i); Regulatory Citation: 45 CFR §1356.21(c)]

11. Is there a judicial finding of *Contrary to the Welfare*? Yes No NA

If the child is voluntarily placed, indicate "N/A" and proceed to Question 13. Otherwise, indicate "yes" or "no." If "yes," continue with Question 11a or 11b. If "no," proceed to Question 11c.

For a judicial removal, there must be a determination to the effect that continuation in the home would be contrary to the child's welfare, or that placement is in the child's best interest.

11(a). If the child is removed from the home before March 27, 2000, is the *Contrary to the Welfare* finding stated in a court order issued within 6 months of the child's removal? Or is there a

of removal petition filed within 6 months of the child's removal that results in a judicial finding contrary to the welfare? Yes No NA

Judicial finding date: (MM/DD/YY) / /

Removal Petition date:(MM/DD/YY) / /

For a removal on or after March 27, 2000: Indicate "N/A" and proceed to Question 11b.

For a removal before March 27, 2000: Indicate "yes" or "no" and the judicial finding date or removal petition date. Record both dates, if available. If the response is "no" to both questions in Question 11a, this is an error case and the child is ineligible for the entire foster care episode. Proceed to Question 11c.

If the judicial finding of "contrary to the welfare" is not rendered within 6 months of the child's removal (Question 8), the requisite judicial finding may be in a court ruling that stems from court proceedings initiated (petition filed) no later than 6 months from the date of the child's removal from the home, consistent with Departmental Appeals Board Decision Number 1508. The removal petition must be filed with the court within 6 months of the child's removal; however, the resultant court order may be issued later and must sustain the removal petition. The removal petition alone will not satisfy the title IV-E eligibility requirement. There must be a judicial finding of "contrary to the welfare." Title IV-E eligibility may not begin before the State has attained the requisite judicial finding and met all other applicable requirements.

11(b). If the child is removed from the home on or after March 27, 2000, is the Contrary to the Welfare finding stated in the removal court order? Yes No NA

Judicial finding date: (MM/DD/YY) / /

For a removal before March 27, 2000: Indicate "N/A" and proceed to Question 11c.

For a removal on or after March 27, 2000: Indicate "yes" or "no" and the judicial finding date and proceed to Question 11c.

The judicial determination regarding "contrary to the welfare" must be made in the first court ruling that sanctions the child's removal. The physical removal from the home must coincide with the judicial ruling of "contrary to the welfare" (Question 8). If the physical removal from the home does not coincide with the judicial ruling, the "contrary to welfare" judicial requirement is not met per §472(a)(1) and the child is not eligible for title IV-E during the entire foster care episode (Question 11c).

11 (c). Is the requirement for a judicial finding of Contrary to the Welfare met? Yes No NA

Indicate "yes" or "no" based on the response to Question 11, 11a, or 11b. If Question 11c is "no," explain below the specific reason the requirement is not satisfied.

If the judicial determination is not made as required, this case is an error case and the child is ineligible for the entire foster care episode. All ineligible payments must be recorded on the attached "Improper Payment Chart."

C. REMOVAL PURSUANT TO A COURT ORDER *Continued*

[Statutory Citation: §§472(a)(1), 471(a)(15)(B)(i); Regulatory Citation: 45 CFR §1356.21(c)]

11(d). Are title IV-E funds claimed before the month that the Contrary to the Welfare requirement is met? Yes No NA

Indicate "yes" or "no" and proceed to Question 12.

Federal financial participation (FFP) may not begin until the first day of the month in which all initial eligibility requirements that must be met are satisfied. (Initial eligibility requirements are: contrary to the welfare and reasonable efforts to prevent removal judicial determinations, AFDC eligibility, State agency placement and care responsibility, licensure, and safety.) If title IV-E funds were claimed before the month in which the requisite judicial determination was made, this is not an error case solely for this reason; however, all ineligible title IV-E payments must be repaid. Record ineligible payments on the attached "Improper Payment Chart."

12. Is there a judicial finding of Reasonable Efforts to Prevent Removal Or Reasonable Efforts to Reunify Child and Family? Yes No NA

If the child is voluntarily placed, indicate "N/A" and proceed to Question 13. Otherwise, indicate "yes" or "no." If "yes," continue with Question 12a or 12b. If "no," proceed to Question 12c.

For a judicial removal, there must be a determination to the effect that the State agency made reasonable efforts to prevent the removal of the child from the home or that reasonable efforts were not necessary. If the child was removed before March 27, 2000, the requirement may be satisfied with a judicial finding that "reasonable efforts were made to reunify" the child and family after removal.

12(a). If the child was removed from the home before March 27, 2000, what is the date of the judicial finding regarding reasonable efforts? Yes No NA

Reasonable efforts to prevent removal date: (MM/DD/YY) / /
 Reasonable efforts to reunify date: (MM/DD/YY) / /

For a removal on or after March 27, 2000: Indicate "N/A" and proceed to Question 12b.

For a removal before March 27, 2000: Record the date of the court ruling that contains the judicial finding. If both judicial findings were made, record each date and continue with Question 12c.

The judicial determination that "reasonable efforts were made to prevent removal" (or were not required) or that "reasonable efforts were made to reunify" the child and family (or were not required) after removal satisfies this reasonable efforts requirement.

12(b). If the child was removed from the home on or after March 27, 2000, was the judicial finding of Reasonable Efforts to Prevent Removal within 60 days of the child's removal? Yes No NA

Judicial finding date: (MM/DD/YY) / /

For a removal before March 27, 2000: Indicate "N/A" and proceed to Question 12c.

For a removal on or after March 27, 2000: Indicate "yes" or "no" and the judicial finding date and proceed to Question 12c.

The judicial determination that reasonable efforts to prevent removal were made (or were not required) must be obtained no later than 60 days from the date the child was removed from the home (Question 8).

Comments: (Please reference question number for each comment.)

C. REMOVAL PURSUANT TO A COURT ORDER *Continued*

[Statutory Citation: §§472(a)(1), 471(a)(15)(B)(i); Regulatory Citation: 45 CFR §1356.21(c)]

12(c). Is the requirement for judicial finding of Reasonable Efforts to Prevent Removal or Reasonable Efforts to Reunify Child and Family met? Yes No NA

Indicate "yes" or "no" based on the response to Question 12, 12a, or 12b. If Question 12c is "no", this is an error case and the child is ineligible for the entire foster care episode. Explain below the specific reason the requirement is not satisfied and record all ineligible payments on the attached "Improper Payment Chart."

12(d). Are title IV-E funds claimed before the month of the judicial finding of Reasonable Efforts to Prevent Removal or Reasonable Efforts to Reunify Child and Family? Yes No NA

Indicate "yes" or "no."

Federal financial participation may not begin until the first day of placement in the month in which all initial eligibility requirements that must be met are satisfied. (Initial eligibility requirements are: contrary to the welfare and reasonable efforts to prevent removal judicial

determinations, AFDC eligibility, State agency placement and care responsibility, licensure, and safety.) If title IV-E was claimed before this finding, this is not an error case solely for this reason; however, all related ineligible title IV-E payments must be recorded on the attached "Improper Payment Chart."

D. VOLUNTARY PLACEMENT

[Statutory Citation: §472(d)(e) and (f); Regulatory Citation: 45 CFR §1356.22]

13. Is the child's removal pursuant to a voluntary placement agreement? Yes No NA

Indicate "yes" or "no." If "no," the response to Questions 14 – 15(a) is "N/A."

Note: If "no" is the response to this question and Question 10, the child is ineligible for title IV-E for the entire foster care episode and the case is an error case. Record any ineligible payments on the attached "Improper Payment Chart" and proceed to Question 17. For title IV-E eligibility purposes, a child must be removed from the home pursuant to either a judicial order or a voluntary placement agreement.

14. Is the voluntary placement agreement signed by the parent or legal guardian and the State agency? Yes No NA

Voluntary placement agreement date: (MM/DD/YY) / /

Indicate "yes" or "no" and the signature date of the agreement. If signings occurred on different dates, record the date of the final signature. If the response is "no," this is an error case. Record ineligible payments on the attached "Improper Payment Chart."

The parent or legal guardian and the State agency representative(s) must sign the voluntary placement agreement for it to be valid. If all required parties did not sign the voluntary placement agreement, the child is ineligible for title IV-E for the entire foster care episode. If title IV-E funds were claimed before the month in which all signatures are obtained, this is not an error case solely for this reason. However, the ineligible payments must be recorded on the attached "Improper Payments Chart."

Comments: (Please reference question number for each comment.)

D. VOLUNTARY PLACEMENT *Continued*

[Statutory Citation: §472(d)(e) and (f); Regulatory Citation: 45 CFR §1356.22]

15..Is there a judicial determination regarding the child's Best Interest Within 180 days of the placement through a voluntary placement agreement? Yes No NA

Judicial finding date: (MM/DD/YY) / /

Indicate "yes" or "no" and record the date of the judicial finding. If "yes," proceed to Question 16. If "no," continue with Question 15a. Indicate "N/A" and proceed to Question 16, if the judicial determination is not obtained and fewer than 180 days have elapsed since the foster care placement date (or signature date, if the child was constructively removed) and the last day of the PUR. Also, indicate "N/A" if the child is judicially removed.

Title IV-E payments may be made for a child in foster care because of a voluntary placement agreement for the first 180 days of the foster care placement. To extend title IV-E eligibility beyond 180 days, there must be a judicial determination to the effect that continued voluntary placement is in the child's best interest.

15(a). If "no" are title IV-E funds claimed for the period of ineligibility? Yes No NA

Indicate "yes" or "no," based on a "no" response to Question 15. If Question 15a is "yes," this is an error case if IV-E funds are claimed for a period of ineligibility that falls within the PUR. Record the ineligible payments on the attached "Improper Payment Chart" and proceed to Question 16.

If more than 180 days has elapsed and there has been no judicial determination of "best interests," the child's eligibility for title IV-E

ceases on the 181st day.

**E. ONGOING JUDICIAL ACTIVITY (Reasonable Efforts to Finalize the Permanency Plan)
Applicable to Court-Ordered Removals Only**

[Statutory Citation: §§472(a)(1), 471(a)(15)(B)(ii) and (C); Regulatory Citation: 45 CFR §1356.21(b)(2)]

For Questions 16, 16a, 16b, 16c, 16d, and 16e: Each question must be answered in sequential order to verify that the judicial determination of “reasonable efforts to finalize the permanency plan” is satisfied for the 12-month period that encompasses the PUR.

To maintain eligibility following removal, there must be a judicial determination that reasonable efforts were made to finalize the child's permanency plan. The judicial determination must be made on a case-by-case basis; definitively stated in the court order; signed by a reviewing judge or other State designated court official, if a signature is required in State law; and in conformity with regulatory timeframes. Affidavits and nunc pro tunc court orders are not acceptable documentation to support a judicial finding. If an acceptable court order is not furnished, a transcript of the court proceeding is the only alternative to substantiate that the judicial determination requirement is met satisfactorily. If a nunc pro tunc order or affidavit is presented to meet the “reasonable efforts” requirement, the reviewer must examine the court transcript to verify that the judicial determination complies with the Federal requirements.

For a removal before March 27, 2000: The judicial determination must have occurred by March 27, 2001, and at least once every 12 months thereafter, while the child is in foster care. Ineligibility for title IV-E payments is from April 1, 2001, until the judicial determination requirement is met. The reviewer is not required to verify the State agency's compliance with the March 27, 2001, implementation date as a separate eligibility review issue. The reviewer is required to verify whether the judicial determination requirement is satisfactorily met during the PUR to ascertain that the case is not in error. If the judicial determination requirement is not met, then the reviewer must go back to the date the requirement is met or March 27, 2001, whichever is later, to establish the period of ineligibility.

For a removal on or after March 27, 2000: The judicial determination must be made no later than 12 months from the date that the child is considered to have entered foster care (Question 9). Thereafter, the judicial determination must be made at least once every 12 months while the child is in foster care.

Comments: (Please reference question number for each comment.)

**E. ONGOING JUDICIAL ACTIVITY *Continued*
(Reasonable Efforts to Finalize the Permanency Plan)**

[Statutory Citation: §§472(a)(1), 471(a)(15)(B)(ii) and (C); Regulatory Citation: 45 CFR §1356.21(b)(2)]

Record information in the following chart to determine the most recent judicial finding that is attained prior to the PUR and whether a judicial finding is required to be made during the 12-month period encompassing the PUR. Use an additional sheet if necessary. The data are needed to answer Questions 16(a) – 16(e) for all sample cases regardless of removal date. For any period in which a judicial determination is not met as required, record the related ineligible payments on the attached “Improper Payment Chart.”

Periodicity Chart for Judicial Determinations of Reasonable Efforts to Finalize the Permanency Plan

Date Removed: / /
(Refer to Question 8)

Date Entered Foster Care: / /
(Refer to Question 9)

Judicial Determination	Date Due	Date Made	Is it Timely? (YES or NO)
			Yes <input type="checkbox"/> No <input type="checkbox"/>
			Yes <input type="checkbox"/> No <input type="checkbox"/>
			Yes <input type="checkbox"/> No <input type="checkbox"/>
			Yes <input type="checkbox"/> No <input type="checkbox"/>
			Yes <input type="checkbox"/> No <input type="checkbox"/>
			Yes <input type="checkbox"/> No <input type="checkbox"/>
			Yes <input type="checkbox"/> No <input type="checkbox"/>
			Yes <input type="checkbox"/> No <input type="checkbox"/>
			Yes <input type="checkbox"/> No <input type="checkbox"/>
			Yes <input type="checkbox"/> No <input type="checkbox"/>

16..Has the child been in foster care 12 months or more before the end of The PUR?

Yes No NA

Indicate "N/A," if the removal is the result of a voluntary placement agreement. Otherwise, indicate "yes" or "no." If "yes," continue with Question 16a. If "no," a judicial determination of "reasonable efforts to finalize the permanency plan" is not due for the PUR. Proceed to Question 17. Questions 16a –16e are "N/A."

16(a). If Question 16 is "yes", what is the date of the most recent judicial determination of Reasonable Efforts to Finalize made before PUR?

Yes No NA

(MM/DD/YY): / /

Record the date of the most recent judicial determination that is obtained before the beginning of the PUR. If the date of the initial judicial determination fell within the PUR, indicate "N/A." If the due date for the judicial determination is immediately before the PUR but is not made, indicate "N/A." Explain below the "N/A" response and continue with Question 16b.

Question 16a establishes whether an initial or subsequent judicial finding is required to be made during the 12-month period that encompasses the PUR.

16(b). What is the due date of the subsequent judicial determination that encompasses the PUR?

Yes No NA

(MM/DD/YY): / /

Record the date of the subsequent judicial determination that must be made within 12 months from the date recorded in Question 16a. If the child has been in care for less than 18 months but more than 12 months before the end of the PUR, record the date of the initial judicial determination. If a date is not recorded in Question 16a because the required judicial determination is not made before the PUR, record the date it should have been made and continue with Question 16c. Indicate "N/A," if 12 months have not elapsed since the date recorded in Question 16a or have elapsed after the PUR.

E. ONGOING JUDICIAL ACTIVITY *Continued*

(Reasonable Efforts to Finalize the Permanency Plan)

[Statutory Citation: §§472(a)(1), 471(a)(15)(B)(ii) and (C); Regulatory Citation: 45 CFR §1356.21(b)(2)]

16(c). What is the date that the judicial determination is made?

Yes No NA

(MM/DD/YY): / /

Record the date that the initial or subsequent judicial determination referenced in Question 16b is made. If the judicial determination is due but not made, indicate this in the space provided below and continue with Question 16d.

16(d). Is the judicial determination of Reasonable Efforts to Finalize timely? Yes No NA

Indicate "yes" or "no." If the judicial determination referenced in Question 16c is timely, proceed to Question 17 (Question 16e is "N/A"). If it is not timely, continue with Question 16e.

A judicial determination is not considered timely if the finding is not made within the required 12-month timeframe. The date of the latest judicial determination is used to determine the date the subsequent one must be made.

16(e). If Question 16d is "no", are there ineligible title IV-E funds that were claimed as a result of the untimely judicial determination?

Yes No NA

Indicate "yes" or "no" based on the response to Question 16d. If title IV-E funds were claimed for the untimely judicial determination referenced in Question 16d, record the ineligible payments on the attached Improper Payment Chart. An untimely judicial determination renders the child ineligible beginning the first day of the month after it is due and continuing to the first day of the month it is attained.

The sample case is **in error** if title IV-E funds are claimed **and** the required judicial determination that encompasses the PUR is due before or during the PUR, and is: 1) not made during the PUR, or 2) not made, during the PUR, within 30 days following the month it is due.

F. AFDC (Aid to Families with Dependent Children) ELIGIBILITY

[Statutory Citation: §§472(a)(1) and (4); Regulatory Citation: 45 CFR §1356.21(k)(l)]

17. Was the child removed from the home of a specified relative?

Yes No NA

Indicate "yes" or "no." If "no," the child is ineligible for title IV-E for the entire foster care episode.

To qualify for title IV-E, a removal of the child from a specified relative must occur (45 CFR §1356.21(k)). A specified relative may be a parent or any relation by blood, marriage, or adoption who is within the fifth degree of kinship to the child (45 CFR §233(c)(1)(v)).

18. Did the child live with the specified relative within 6 month of removal?

Yes No NA

Last lived with date: (MM/DD/YY) / /

Record the date the child last lived with the specified relative before removal (Question 8), and indicate "yes" or "no." If the child lived with an interim caretaker more than 6 months before the removal from the specified relative, the child is ineligible for the entire foster care episode.

A child must have lived with the specified relative at some point during the 6 months before the signing of the voluntary placement agreement or initiation of court proceedings (removal petition). The date of the removal court order may be used if a removal petition is not filed or is filed after the removal court order. Federal statutes allow a 6-month period during which the child may reside with an interim caretaker and be eligible for title IV-E.

Comments: (Please reference question number for each comment.)

F. AFDC ELIGIBILITY *Continued*

[Statutory Citation: §§472(a)(1) and (4); Regulatory Citation: 45 CFR §1356.71(d)(1)(v)]

19. Was the child living with and removed from the same specified relative?

Yes No NA

Indicate "yes," if the "living with" and "removal from" requirements are met by the same specified relative. Otherwise indicate "no." If "no," the child is ineligible unless at removal the child: 1) resided in a State within the jurisdiction of the Ninth Circuit Court of Appeals, and 2) was removed after the State's title IV-E plan was approved to implement the "Rosales" court decision. If the response is "no" and both conditions of the "Rosales" provisions are not met, the child is ineligible for the entire foster care episode.

The court decision in *Rosales v. Thompson*, permits States in the Ninth Circuit to base AFDC eligibility on the home from which the child was removed or the home of any specified relative with whom the child lived with at some point in the 6 months before removal. The *Rosales* court decision may not be applied for a child removed before the date the State's title IV-E plan is approved to implement the provision. The *Rosales* court decision does not apply to States outside the jurisdiction of the Ninth Circuit Court.

20. Did the State determine the child's AFDC eligibility based on the specified relative's home for the month the voluntary placement agreement was entered into or the removal petition was filed?

Yes No NA

Indicate "yes" or "no" and record the first month of AFDC eligibility for the foster care episode, not the month in which the eligibility determination is completed. If "no," the child is ineligible for title IV-E for the entire foster care episode.

The eligibility process examines the family situation in the home of the specified relative during the month the voluntary placement agreement is signed, or the removal petition is filed, to determine whether the child is AFDC eligible for that month, using the State's AFDC Plan as in effect on July 16, 1996, or earlier, if the removal is before this date. The date of the removal court order may be used

if a removal petition is not filed or is filed after the removal order. The reviewer must examine the State agency's worksheets and supporting material to verify that the agency has made the correct eligibility decision and the basis of the decision has been clearly documented.

20(a). Was financial need established?

Yes No NA

Indicate "yes" or "no." If "no," the child is ineligible for the entire foster care episode.

There must be documentation that financial eligibility is reviewed and a correct determination is made. The child's financial need must be established based on the circumstances in the specified relative's home during the month the voluntary placement agreement is signed, or the removal petition is filed. Within the specified relative's home, the gross income must not exceed the State's need standard and the combined resources available to the family unit must not exceed \$10,000.

20(b). Was deprivation of parental support or care established?

Yes No NA

Indicate "yes" or "no." If "no," the child is ineligible for the entire foster care episode.

There must be a specification of how the child is deprived of parental support or care. To correctly establish deprivation, deprivation must be due to the death, absence, or physical or mental incapacity of one parent or unemployment of the principal wage earner. The initial determination of deprivation is based on the conditions in the specified relative's home during the month the voluntary placement agreement is signed or the removal petition is filed.

Comments: (Please reference question number for each comment.)

F. AFDC ELIGIBILITY *Continued*

[Statutory Citation: §§472(a)(1) and (4); Regulatory Citation: 45 CFR §1356.71(d)(1)(v)]

21. Is the child 18 years or older at the time of removal or at any point during the PUR?

Yes No NA

Indicate "yes" or "no." If "yes," continue with Question 21a. If "no," indicate "N/A" for Question 21a-21c and proceed to Question 22.

Sections 406 and 472 of the Act limit title IV-E eligibility to children under the age of 18, or over age 18 but under age 19, if a full-time student. When a child reaches his or her 18th birthday, eligibility for AFDC ceases unless, as a title IV-A State plan option, the youth is a full-time student in a secondary school or its equivalent and is expected to complete the program before age 19.

21(a). Has the State agency exercised the school attendance option?

Yes No NA

Indicate "yes" or "no." If "no" and title IV-E funds were claimed for the youth who is over age 18, title IV-E funds were claimed improperly. This is not an error case for this reason; however, the ineligible payments must be recorded on the attached "Improper Payments Chart."

If the State agency exercises this option within its approved AFDC State plan, eligibility for AFDC ceases at the end of the month in which the youth leaves school or when the youth turns 19, whichever occurs earlier. If the State agency does not exercise this option, eligibility for AFDC ceases at the end of the month the youth turns 18.

21(b). Is the youth a full-time student in a secondary or it's equivalent?

Yes No NA

Indicate "yes" or "no" based on a "yes" response to Question 21. If Question 21b is "no" the child is ineligible for title IV-E. If title IV-E funds were claimed for any month during the PUR, this is an error case.

21(c). Is the youth expected to graduate before his/her 19th birthday?

Yes No NA

Indicate "yes" or "no" based on a "yes" response to Question 21. If Question 21c is "no" the child is ineligible for title IV-E. If title IV-E

25. If ‘no’, were title IV-E funds claimed for the period of time that the title IV-E agency (or public agency with a title IV-E agreement) *did not* have responsibility for the placement and care of the child? Yes No NA

If the response to Question 24 is “no,” were title IV-E funds claimed for the period of ineligibility? If “yes,” this child is ineligible. The case is an error case if the ineligible payments occurred during the PUR. Record ineligible payments on the attached “Improper Payment Chart.”

26. Agency Name:

Record the name of the title IV-E agency or other agency with responsibility for placement and care of the child during the PUR.

Comments: (Please reference question number for each comment.)

H. PLACEMENT IN LICENSED FOSTER CARE FACILITY

[Regulatory Citation: §472(b) and (c); (45 CFR §§1356.71(d)(1)(iv), 1355.20]

Complete for every foster care facility where the child resided during the PUR

X2. Provider Name:

X3. Provider Street Address:

X4. Provider City: **X5. Provider State:**

For Questions X2 — X5: Record provider information for each foster family home or childcare institution where the child physically resided during the PUR. Use additional sheets to record each provider separately.

27. Date(s) of child’s placement in this foster care facility (MM/DD/YY)

from / / to / /

from / / to / /

Record the date(s) that the child lived in the facility during the PUR.

28. Type of foster care facility: FFH GH Public Institution PNP/FP Institution
 Other (specify)

Indicate the type of facility in which the child has lived during the PUR. The “Other” category should be used when the child has not lived in one of the facility types listed. If “Other,” the child is ineligible for title IV-E funding. If ineligible payments are claimed during the PUR, the case is an error case. Record all ineligible payments on the attached “Improper Payment Chart” and continue with Question 29.

Federal regulations at 45 CFR §1355.20(a) define an eligible foster care facility as a foster family home (FFH), group home (GH), public institution of 25 children or fewer, private non-profit (PNP) childcare institution or for-profit (FP) childcare institution. A facility that does not fall into one of these categories is not eligible for Federal foster care maintenance payments. This includes detention centers, hospitals, public institutions of more than 25 children, and pre-adoptive family homes that are not licensed as foster family homes.

29. Is this foster care provider *fully* licensed during the child’s placement that falls within the PUR? Yes No NA

Licensure period (MM/DD/YY): from / / to / /
 from / / to / /

Indicate "yes" or "no" and record the dates of the period of licensure that covers the entire PUR. If "yes," indicate "N/A" for Question 29a and proceed to Question 30. If "no," continue with Question 29a.

The State agency must document that the child's foster care placement is fully licensed or approved for the child's placement during the PUR, even when the placement is an out-of-State provider. Interim licenses or approvals issued pending full satisfaction of a State licensing standard are not acceptable for title IV-E.

Comments: (Please reference question number for each comment.)

H. PLACEMENT IN LICENSED FOSTER CARE FACILITY *Continued*

[Regulatory Citation: §472(b) and (c); (45 CFR §§1356.71(d)(1)(iv), 1355.20]

Complete for every foster care facility where the child resided during the PUR

29(a). If "no", are title IV-E funds claimed for the period that the foster care provider is not *fully* licensed?

Yes No NA

If Question 29 is "no," indicate "yes" or "no" for Question 29a and continue with Question 30. If Question 29a is "yes" and the ineligible title IV-E funds are claimed for a period that falls within the PUR, this is an error case. Record any ineligible payments on the attached "Improper Payment Chart."

For a foster family home licensed before March 27, 2000: Beginning October 1, 2000, must meet full licensure.

For a foster family home licensed on or after March 27, 2000: Beginning April 1, 2000, must meet full licensure.

For childcare institutions: Regardless of licensing date, must meet full licensure.

30. Are title IV-E funds claimed before the month in which the foster care provider is fully licensed?

Yes No NA

Indicate "yes" or "no" and proceed to Question 31.

Federal financial participation may not begin until the first day of the month in which full compliance with the State's licensing standards are met. If title IV-E is claimed before then, this is not an error case; however, ineligible title IV-E payments must be recorded on the attached "Improper Payment Chart."

I. SAFETY REQUIREMENTS OF PROVIDER

[Regulatory Citation: §472(b) and (c); (45 CFR §§1356.71(d)(1)(iv), 1355.20]

Complete for every foster care facility where the child resided during the PUR

31. If the placement is a foster family home, has the State "opted out" of the criminal records check requirement for prospective foster family homes?

Yes No NA

Indicate "N/A," if the placement during the PUR is not a foster family home and proceed to Question 32. Otherwise, indicate "yes" or "no." If "yes," proceed to Question 31(b). If "no," continue with Question 31(a).

31(a). If the State has not "opted out", is a criminal records check completed satisfactorily on the prospective foster parent?

Yes No NA

Indicate "N/A," if the State "opted out" or the foster family home is licensed before November 17, 1997. Otherwise, indicate "yes" or "no" and proceed to Question 33.

The criminal records check requirement applies to foster family homes licensed on or after November 17, 1997, or the State's federally approved effective date. The State agency must document the results of the criminal records check and compliance with the safety requirement, including §471(a)(20)(A) during the PUR. Documentation of compliance must be provided even when the

prospective foster parent lives out of State or is administered by a child-placing agency.

31(b). If the State has “opted out,” are safety considerations addressed satisfactorily for the prospective parent?

Yes No NA

Indicate “N/A,” if the State has not “opted out” or the foster family home is licensed before March 27, 2000. Otherwise, indicate “yes” or “no” and proceed to Question 33.

The State agency must document compliance with its safety requirement for the PUR. Compliance must be verified even for an out-of-State foster care provider or one administered by a child-placing agency.

I. SAFETY REQUIREMENTS OF PROVIDER *Continued*

[Regulatory Citation: §472(b) and (c); (45 CFR §§1356.71(d)(1)(iv), 1355.20]

Complete for every foster care facility where the child resided during the PUR

32. If the placement is a childcare institution, are safety considerations addressed satisfactorily for the caretaker staff of the institution?

Yes No NA

Indicate “N/A,” if the childcare institution is licensed before March 27, 2000, or if the child is not placed in a childcare institution during the PUR. Otherwise, indicate “yes” or “no” and proceed to Question 33.

The State agency must document compliance with its safety requirements for the duration of the child’s stay during the PUR. Documentation must be provided even when the child is placed in an out-of-State facility.

33. If “no,” are title funds claimed for the period of ineligibility in which the safety requirement is not satisfied for the foster care provider?

Yes No NA

Indicate “yes” or “no” to Question 33 if the response to Question 31a, 31b, or 32 is “no.” Otherwise, proceed to Question 34. If the response to Question 33 is “yes” and the ineligible title IV-E funds are claimed for a period within the PUR, this is an error case. All ineligible payments must be recorded on the attached “Improper Payment Chart.”

Title IV-E foster care maintenance payments may not be made for a child placed in a foster family home or childcare institution that does not meet the safety requirements of the State.

34. Are title IV-E funds claimed before the month in which the safety requirements are met for the foster care provider?

Yes No NA

Indicate “yes” or “no.”

Federal financial participation may not begin until the first day of the month in which the foster family home or childcare institution satisfied the respective safety standard of the State. If title IV-E is claimed before then, this is not an error case; however, any ineligible title IV-E payments must be recorded on the attached “Improper Payment Chart.”

CASE REVIEW FINDINGS

After the On-Site Review Instrument is completed, determine whether the sample case is a non-error case or an error case and indicate this on the first page of the instrument. For a non-error case and an error case, indicate whether underpayments were identified and whether ineligible payments were claimed.

Underpayment: Occurs when IV-E maintenance payment or administrative cost is not claimed, but may be claimed, for an allowable IV-E activity or period of eligibility.

Non-Error Case with Ineligible Payment: Occurs when the only IV-E payment for a maintenance or administrative cost is made for an ineligible child outside the PUR.

Error Case: Occurs when IV-E payment for maintenance or administrative cost is made for an ineligible child at any time during the PUR.

Comments:

IV-E Adoption Assistance Monitoring Instrument

NON-ERROR CASE: ERROR CASE:

Each initial question of each section must be answered. Answers in **bold** indicate **potential case errors**. The reviewer must verify every eligibility factor and document his/her decisions on the form for each sample case. The form may be annotated with information regarding eligibility

County :

/ /

Review Date (MM/DD/YY):

Sample Number:

/ / -

Review period:

/ /

Child's Name:

Case ID:

Child's Date of Birth:

/ /

Reviewed By:

A. GENERAL REQUIREMENTS

1. Child is a US citizen or a qualified alien.

Yes No

Children who are illegal aliens or undocumented immigrants are not eligible for IV-E Adoption Assistance.

2. Child was legally cleared for adoption.

Yes No

3. Custody was with a licensed placing Agency.

Yes No

4. State approved Background check was done on Adoptive parent(s).

Yes No

5. The adoption assistance agreement is in effect prior to the finalization of the adoption, unless a fair hearing rules in favor of an eligible child after the finalization of the adoption?

Yes No

The agreement must be signed by all parties to the agreement (namely, the adoptive parent(s) and State agency representative), and a signed copy given to each party.

Comments:

B. SPECIAL NEEDS DETERMINATION

A child's eligibility for title IV-E adoption assistance is based, in part, on a determination by the State that the child is a child with special needs. A determination of special needs is a three-part requirement established in section 473(c) of the Act. All three parts of the special needs provision must be met in order for a child to be considered a child with special needs. The determination of special needs must be made by the State prior to the finalization of the adoption. Those three parts are as follows:

(1) It has been determined that the child cannot or should not be returned to the home of his or her parent(s). Yes No

This determination can be based on evidence by an order from a court of competent jurisdiction that terminates parental rights, the existence of a petition to the court for a termination of parental rights (TPR), or a signed relinquishment by the parent(s). In addition, if a child can be adopted in accordance with State or Tribal law without a TPR or relinquishment, the requirement of section 473(c)(1) of the Act can be satisfied as long as the State has documented

the valid reason why the child cannot or should not be returned to the home of his or her parent(s).

(2) Based on an existing specific factor(s) or condition(s), it has been determined that the child cannot be adopted without providing title IV-E adoption assistance. Yes No

Check ALL factor(s)/condition(s) which qualify the child as special needs

For Applicable Child

Part I: [At least one must exist]

- Age
 Sibling to an applicable child
 In foster care for 60 consecutive months (5 years)

Part II: [At least one must exist]

- Age six or older
 Age 2 years or older and a member of a minority group
 Sibling group of two w/ one meeting special needs (must be in same placement)
 Sibling group of three or more (must be in same placement)
 Medically diagnosed disability
 Professionally diagnosed with psychiatric condition(s)
 Professionally diagnosed with behavioral/emotional disorder(s)
 Meets all of the medical and physical requirements for SSI

For Non-Applicable Child

[At least one must exist]

- Age six or older
 Age 2 years or older and a member of a minority group
 Sibling group of two w/ one meeting special needs (must be in same placement)
 Sibling group of three or more (must be in same placement)
 Medically diagnosed disability
 Professionally diagnosed with psychiatric condition(s)
 Professionally diagnosed with behavioral/emotional disorder(s)

Special need determination is based on: Placement with a known and approved family, including relative, foster family, with whom the child has established a close attachment. (case prior to 12/2009)

Child has a POTENTIAL 'special need' condition due to:

- Prenatal exposure to toxins
 History of abuse or serious neglect
 Genetic History

When this is the only basis for the child's eligibility for subsidy, benefits may begin **only** at the point of the manifestation of the potential condition.

(2a) It has been determined that child is a (check only one):

- Applicable child** (answer 3, then complete section C and check 'NA' in section D)
 Non-Applicable Child (answer 3, then check 'NA' in section C and proceed to complete section D)

(3) The agency make a reasonable, but unsuccessful, effort to place the child for adoption with appropriate adoptive parent(s) without providing adoption assistance. The only exception to this requirement is in situations where it would not be in the child's best interests due to such factors as the existence of significant emotional ties with the prospective adoptive parent(s) while in their care as a foster child. This exception also extends to other circumstances that are not in the child's best interests, including adoption by a relative in keeping with the statutory emphasis on the placement of children with relatives: Yes No

A State can meet the requirement to make a reasonable effort to place the child without assistance by using adoption exchanges, making referrals to appropriate specialized adoption agencies, or other such activities.

Comments:

C. PATHWAYS TO ELIGIBILITY FOR APPLICABLE CHILD**NA**

Federal law requires that any child who is determined by the State to be a child with special needs and meets the criteria under one of four pathways to eligibility be eligible for title IV-E adoption assistance (section 473(a)(2)(A) of the Social Security Act. The four pathways to eligibility are:

*** At least one must be checked 'yes' for applicable child**

- (1) The child, at the time of the initiation of the adoption proceedings, is in the care of a public or private child placing agency as a result of either a judicial determination that it was contrary to the welfare of the child to remain in the home or a voluntary placement agreement or a voluntary relinquishment.

Yes No

- (2) The child meets all of the medical and disability requirements of SSI with respect to eligibility for SSI benefits.

Yes No

- (3) The child was residing in a foster home or child care institution with his/her minor parent and the minor parent was removed from the home as a result of either: (1) an involuntary removal by a judicial determination that it was contrary to the child's welfare to remain in the home; or (2) a voluntary placement agreement or a voluntary relinquishment.

Yes No

- (4) The child adopted and determined eligible for title IV-E adoption assistance in a prior adoption (or would have been eligible had the Adoption and Safe Families Act of 1997 been in effect at the time of the previous adoption), and is available for adoption because the prior adoption has been dissolved or the child's adoptive parents have died.

Yes No

Comments:

D. PATHWAYS TO ELIGIBILITY FOR NON-APPLICABLE CHILD**NA**

Federal law requires that any child who is determined by the State to be a child with special needs and meets the criteria under one of four pathways to eligibility be eligible for title IV-E adoption assistance (section 473(a)(2)(A) of the Social Security Act . The four pathways to eligibility are:

*** At least one must be checked 'yes' for non- applicable child**

- (1) Did the child, at the time of removal, meet eligibility requirements for AFDC?
 (a) Removal from a specified relative, (b) If removed by judicial determination, Contrary to the Welfare finding,
 (c) If removed by VPA, IV-E foster care payment must have been made, (d) AFDC Deprivation and Need

Yes No

Note: Reasonable Efforts are not a requirement for IV-E adoption assistance.

- (2) The child meets all of the eligibility requirements of SSI with respect to eligibility for SSI benefits prior to the finalization of the adoption.

Yes No

- (3) The child was adopted and determined eligible for title IV-E adoption assistance in a prior adoption (or would have been eligible had the Adoption and Safe Families Act of 1997 been in effect at the time of the previous adoption), and is available for adoption because the prior adoption has been dissolved or the child's adoptive parents have died.

Yes No

Comments:

CASE REVIEW FINDINGS

- (1) Child meets general requirements. Yes No
- (2) Child meets the criteria for an 'applicable/ non- applicable child'. Yes No
- (3) Child meets each of the three 'special needs criteria'. Yes No
- (4) Child meets at least one criterion for the pathway that applied. Yes No

All of the above must be checked 'yes' to be eligible for IV-E Adoption Assistance. If not, enter beginning date of ineligibility.

INELIGIBILITY BEGINNING DATE: ____

Payment Adjustment Referral Form
 NC-DSS Child Welfare Services Section Monitoring
APPENDIX F

Instructions: Whenever a monitor identifies a finding, then a payment adjustment referral (PAR) form is to be completed. The PAR should be completed by the LBL with county's input. **A copy of the must be provided to the Monitor within 30 calendar days of the result report.**

Section I: Payment Adjustment Request (To be completed by the Child Welfare Monitor)

County:	Result Report Submitted: / /
Date of Review: / /	Program:
Case Name:	SIS Number:
Monitor:	PUR: / / to / /
PAR Sent: / /	PAR Due Back to Monitor: / /
Issue / Finding	
Questioned Cost	

Section II: Payment Adjustments (To be completed by the LBL with Agency)

Specific steps to be taken	By Date	Person Responsible	Date Accomplished

County's Appeal Date: / /	Division's Appeal Decision Date: / /
If appeal has been denied, this form is to be completed and forward within 30 calendar days of 'Decision Date' to the Monitor.	
County Representative (name and position):	Submitted by CPR (name):
Signature: Date:	Signature: Date:

At-Risk Case Management Services
Program Compliance Monitoring Plan
for
Division of Aging and Adult Services and Division of Social Services

Purpose

The purpose of this plan is to establish a monitoring process for Medicaid funded At-Risk Case Management Services (ARCMS). The plan will help to ensure the integrity of this program and that subrecipients utilizing this funding source are in compliance with applicable laws and regulations and stated results and outcomes. The plan will also provide baseline data to determine if there is inappropriate utilization of this funding source by providing cumulative results using the monitoring tool. The cumulative results gathered from all counties monitored within a six month timeframe may show areas of performance that may require additional consultation and training.

Program to be Monitored

At-Risk Case Management Services (ARCMS)

At-Risk Case Management Services is a Medicaid reimbursable targeted case management service provided by county departments of social services. It is used for both Adult and Child Welfare Services. The Divisions of Aging and Adult Services (DAAS) and Social Services (DSS) will be responsible for carrying out this monitoring. This plan addresses how the ARCMS monitoring is carried out.

Subrecipients to be Monitored

Subrecipients are defined as County Departments of Social Services who are certified ARCMS providers and are receiving Medicaid reimbursement for the purposes of the ARCM monitoring plan.

Monitoring Staff

**Program Compliance staff of DAAS and DSS are responsible for monitoring ARCMS
Monitoring Tools**

The standardized monitoring tool is based on applicable laws and regulations that govern this program. The At-Risk Case Management monitoring tool and instructions are included with this monitoring plan.

Monitoring Schedule

On-site monitoring for ARCM services began in SFY-07. Management and monitoring staff of DAAS and DSS will determine the schedule for subrecipients monitoring. ARCMS monitoring will be scheduled in conjunction with other planned monitoring. Each monitoring team may

monitor different counties at different times and may not monitor the same county in the same fiscal year. Each team will schedule no more than 33 subrecipients for monitoring each fiscal year.

On-site monitoring is conducted over a multi-year time period for all subrecipients. The proposed multi-year monitoring schedule for ARCMS is as follows:

ARCMS

SFY-09 – not more than 33 subrecipients (each division)

SFY-10 – not more than 33 subrecipients (each division)

SFY-10 – not more than 34 subrecipients (each division)

Total: 100 subrecipients (see note)

Note: Although there are 100 County Departments of Social Services, not all are certified ARCMS. Providers and of those certified, some may not be providing ARCMS or may elect not to report expenditures and would therefore not be monitored for ARCMS.

Monitoring Sample

Monitoring staff of Adult Services and monitoring staff of Child Welfare Services will each monitor five (5) records per county visited in their schedule. The Division of Social Services Performance Management/Report and Evaluation Management will provide a random sample of clients for whom the counties have reported services on the Day sheet (DSS-4263), from the three previous months prior to the month in which the monitoring occurs. In the event that the sample size can not be obtained within the three previous months, the monitors will go back as far as necessary to procure the appropriate sample size. In the event that there are fewer records to be monitored than the sample size, all available records will be monitored.

Monitoring Process

Subrecipients will be notified of the sample of records selected for review prior to the scheduled monitoring dates. This monitoring will occur on-site at the county department of social services in order to review the programmatic records identified in the sample. Prior to conducting the on-site visit, the monitoring staff will review any findings and follow-up from previous deficiencies and/or corrective action plans, findings from any monitoring conducted by the Division of Social Services fiscal consultants, information from the DHHS Monitoring Database, and any other relevant reports or information. Records will be reviewed using the standardized ARCMS tool.

Reporting Findings and Follow up

Once the on-site monitoring is completed, results, as determined through the use of the At Risk Case Management monitoring tool, will be summarized and communicated to the county during the exit conference. The At Risk Case Management Record Review Exit Conference Tool will identify any areas indicating a need for improvement.

Staff conducting the monitoring will utilize the At Risk Case Management Record Review Exit Conference Tool to assist the county department of social services to develop a plan if needed and will indicate if additional training is needed to address specific problems. Adult and

Children's Programs Representatives (APRs and CPRs), assigned to the county department of social services will follow up on the plan to determine that all areas needing improvement have been addressed.

Aggregate results of the monitoring will be reported to the Division of Medical Assistance on a semi- annual basis. This report will represent a broad picture of problems identified and areas where additional training and consultation are required. The report will establish a baseline to assist in determining level of risk due to inappropriate utilization of ARCMS.

After cumulative data from the first six months are collected, the monitoring plan may be adjusted to increase or decrease the sample size depending upon results of the monitoring.

Maintenance of Monitoring Documentation

Monitoring tools, written reports and related correspondence for ARCMS monitoring will be maintained by DAAS and DSS. Records will be maintained according to North Carolina's records retention policy.

At Risk Case Management Program Compliance Monitoring Tool Instructions

The purpose of case management services for adults and children at-risk for abuse, neglect, or exploitation is to assist them in gaining access to needed medical, social, educational, and other services; to encourage the use of cost-effective medical care by referrals to appropriate providers; and to discourage over-utilization of costly services.

I. Prior to Opening Case (Pre-Screening):

- 1.** Establish if there is documentation that indicates that client is eligible for all Medicaid services on the date that they received service. This may be found in the social worker notes or in the EIS screening if it is available or other information.

0 = No documentation of eligibility.

2 = Documentation that the client is eligible for Medicaid services.

ARCM policy section 2.1

- 2.** Documentation indicates that the client was asked as to whether the client is receiving Medicaid case management services from another agency. There are some instances when more than one agency may receive Medicaid reimbursement for case management services.

0 = There is no documentation in the record that indicates that the client was asked whether another agency is providing Medicaid case management.

2 = Documentation indicates that the client was asked if another agency is providing Medicaid case management.

ARCM policy, section 4.1 number 4

If record indicates that the client is receiving other Medicaid funded case management services, the notes should determine that the client remained eligible for ARCM services in accordance with the ARCM policy section 4.1 number 5.

0 = Documentation in the record indicates that the client is not eligible for ARCM services.

2 = Documentation in the record indicates another Medicaid funded service is being provided, but the client remains eligible for ARCM services in accordance with the ARCM policy.

ARCM policy, section 4.1, number 4

- 4.** Documentation should indicate whether the client was asked if the client has third-party insurance.

0 = There is no documentation in the record that indicate that the client was asked about private insurance.

2 = Documentation indicates that the client was asked about private insurance.

* If client has private insurance, policy states that the availability of payment from other sources must be taken into account prior to expending Medicaid funds.

ARCM policy, Attachment A, section B

5. This question is for the child welfare services only. Documentation should indicate that IV-E eligibility/ineligibility was determined.

0 = Documentation does not indicate that the child is IV-E eligible.

2 = Documentation indicates that the child does meet the requirements of IV-E eligibility.

II. Opening a Case

1. Locate the DSS-5027.

0 = DSS-5027 not in record.

1 = DSS-5027 in record, but not complete or not accurate.

2 = DSS form is in the record and it appears to be complete and accurate.

Note: If signing the DSS-5027 would create a barrier to receiving the service, the client is not required to sign. If this is the reason that it is not signed, it must be documented in the record.

ARCM policy, section 5.1.1

2. Review the assessment to ensure that it is completed in accordance with the **ARCM** policy. The assessment must be complete, thorough and identify needs.

0 = Assessment not present.

1 = Assessment present but not in accordance with ARCM policy.

2 = Assessment completed in accordance with ARCM policy.

ARCM policy section 5.1.1

3. Client meets at least one of the At-Risk status requirements. Review **ARCM** policy, section 3.0. This section lists the At-Risk status requirements for both children and adults.

0 = Assessment documents that client does not meet at least one of the At-Risk status requirements.

2 = Assessment documents that client meets at least one of the At-Risk status requirements.

III. Service Planning

- 1.** Locate service plan in the record. Service planning is a crucial component of ARCM services (service plans may be contained in Family Service Agreements for child welfare services, or Adult and Family Service Plans for adult services).

0 = No service plan present.

2 = Service plan present in the record.

ARCM policy section 5.1.2

- 2.** The Service Plan builds on the information collected through the assessment phase and includes activities to ensure the active participation of the Medicaid eligible individual and others to develop individual goals and a course of action.

0 = Service plan information not tied to assessment.

1 = Service plan information somewhat tied to assessment.

2 = Service plan information clearly tied to needs outlined in the assessment.

ARCM policy section 5.1.2

- 3.** Goals and social work activities/strategies are identified in the service plan. The goals and actions in the service plan should address medical, social, educational and other services needed by the Medicaid eligible individual.

0 = Service plan does not identify client needs, does not identify strategies or goals.

1 = Service plan identifies needs, but not strategies or identifies strategies but not needs. Some elements not complete.

ARCM policy section 5.1.2

- 4.** Target dates are included in the service plan.

0 = Does not include target dates.

2 = Target dates present.

ARCM policy 7.1.1

IV. Delivering and Supervising Services

- 1.** Documentation of At-Risk Case Manager's Activities in record.

0 = No documentation of activities.

1 = Some documentation of activities or description of activities do not match plan.

2 = Documentation of activity in record and matches plan.

ARCM policy, section 7.1.1 number 3a

2. Dates of service documented in the record.

0 = No dates of service documented.

1 = Some dates of service documented.

2 = All dates of service documented.

ARCM policy, section 7.1.1 number 3b

3. Verify that the amount of time spent on service is recorded in minutes on the day sheet.

Contacts are documented on the day sheet (DSS 4263 and should specify client, day and service and correspond to the documented activities.

0 = No documentation of time on the DSS 4263 although activities were documented in the record.

2 = Minutes documented on the DSS 4263 and corresponds with documentation in the record for that time frame.

ARCM policy section 7.1., number 3c

4. Examine the record for the signature and credentials of the social worker providing the service.

0 = No signature of qualified person or listing of their credentials for the dates of service being billed (both must be present).

2 = Signature and listing of credentials present for dates of services being reviewed.

ARCM policy section 7.1.1, number 3g

5. Documentation of referrals showing the reason for referral for service(s) should be present in the record, when applicable. This is documentation of referrals made to/for other services or agencies, not the initial referral for ARCM.

0 = No record of referral in the record if applicable.

1 = Record of referrals, reason for referral not listed or reason inadequate

2 = Record of Referral and reason for referral present in record.

ARCM policy, section 7.1.1, number 3d

V. Quarterly Reviews of Service Plan

The Service Plan must be reviewed quarterly by the social worker to assess the continuing appropriateness of providing At-Risk Case Management Services. These reviews must be documented and should be conducted within the month that they are due.

1. Timely Quarterly reviews conducted?

0 = No quarterly review documented in the record.

1 = Quarterly review in record, but not complete or does not adequately describe the situation or is not timely as described above

2 = Quarterly reviews present in record that accurately describes the situation of the individual and is timely OR record is not yet over 90 days and no review is due.

ARCM policy, section 5.1.2

2. Documentation in the record indicates that the service plan should be modified.

0 = Documentation in the record indicates that the service plan should be modified, but it was not.

1 = Service plan was modified but did not adequately reflect the changes in the individual's life.

2 = Service plan modified to adequately reflect the changes in the individual's life. This should include any new goals if necessary

ARCM policy, section 5.1.2

VI. Annual Reassessment of Service Plan

A new annual reassessment is due before a client can continue to receive ARCM beyond 12 months of continuous service. A new service plan must be developed by the social worker to ensure that any new goals are established if needed.

1. An annual reassessment was completed prior to continuing services beyond 12 months?

0 = Annual reassessment has not been completed prior to services beyond 12 months

2 = Annual reassessment has been completed in accordance with ARCM policy and prior to continuing services beyond twelve months.

ARCM policy, section 5.2 number 6

2. A new service plan was developed prior to services continuing past 12 months.

0 = Service plan has not been developed/revised prior to services continuing beyond 12 months.

2 = Service plan developed prior to continuing services beyond 12 months.

ARCM policy, section 5.2, number 6

3. Service plan should be signed by social worker and the recipient.

0 = Service plan not signed prior to continuing services beyond 12 months (has to have both signature of social worker and recipient)

2 = Service plan signed prior to continuing services beyond 12 months. (has to have both signatures of social worker and recipient)

ARCM policy, section 5.2, number 6

SECTION VII B- CWS
Community Based Programs-Monitoring Contracts with Local Agencies and Organizations and Other Non-Governmental Entities

Program areas and services to be monitored

Area	Compliance Number	Subrecipients	Funding Source and Amount	Review Tool
Adoption Promotion and Post Adoption Support	93.556	Attachment A	IV-B2-\$2,483,987	Attachment C
Children’s Trust Fund	NA	Attachment A	CTF-\$393,080	Attachment C
Community-Based Child Abuse Prevention Program	93.590	Attachment A	CBCAP-\$1,236,723	Attachment C
Family Support Program	93.556	Attachment A	IV-B2-\$2,713,650	Attachment C
Family Violence Prevention	93.671	Attachment A	FVP-\$2,376,816	Attachment C
Intensive Family Preservation Services	93.556	Attachment A	IVB2-\$2,483,987	Attachment C
Reunification Services	93.556	Attachment A	IV-B2-\$2,483,987	Attachment C
Children’s Advocacy Centers	NA	Attachment A	SSBG - \$375,000	Attachment C

Description of Programs

Adoption Promotion and Post Adoption Support

Adoption Promotion and Support services help adoptive families with support on an on-going basis to their families so that they can make a lifetime commitment to their children. These services include recruitment of adoptive families, preparation for adoption and supportive services after the finalization of the adoption.

Children’s Advocacy Centers

Certified Child Advocacy Centers provide services for families in their county who have children that have been a victim of sexual abuse. Each center has a multidisciplinary team that includes the District Attorney, law enforcement, and a forensics investigator. The child is able to receive all of these services at the center. Additional services provided to the family include individual and group counseling and information and referral.

Children’s Trust Fund

Children’s Trust Fund services are intended to prevent abuse and neglect of juveniles. Abuse and neglect prevention programs are defined to be those programs and services which impact on juveniles and families before any substantiated incident of abuse or neglect has occurred. These programs may include, but are not limited to:

- Community-based educational programs on prenatal care, perinatal bonding, child development, basic child care, care of children with special needs, and coping with family stress; and

- Community-based programs relating to crisis care, aid to parents, and support groups for parents and their children experiencing stress within the family unit.

Community-Based Child Abuse Prevention and Family Support Programs

Family support programs are defined as a conceptual approach to strengthening and empowering families and communities. The operating premise of family support programs is if family and child quality of life is improved, the risk of child maltreatment decreases. Rather than following a particular intervention design, family support programs attempt to address the specific needs of the families in the community in which they operate. This flexibility encourages grass-roots program development and collaboration with families and other local interests in the program planning process.

Because of the grassroots, community-based orientation of family support programs, there are significant variances among programs. However, all programs provide evidence-based, evidence-informed programming. Many family support programs provide a continuum of various family strengthening activities. Other family support programs are designed to provide a single service. Some examples of family support services in North Carolina include support groups, respite care, parent education/training, and information and referral. Services target families and children from birth through seventeen, and are provided for all family members through on-site or home-based strategies.

Family Violence Prevention

Family Violence Prevention funding is provided for establishing, maintaining, and expanding programs and projects to prevent family violence and to provide immediate shelter and related assistance for victims of family violence and their dependents. All geographic areas of the state are provided funding. Special emphasis on serving the under-served is focused on services for Hispanic residents, elder abuse victims, violence prevention work with youth, accessibility and for outreach.

Intensive Family Preservation Services (IFPS)

The IFPS model provides in-home crisis intervention services designed to help families at imminent risk of having a child removed from the home. These services help to maintain children safely in their homes and prevent unnecessary separation of families. This model is characterized by very small caseloads for workers, short duration of services, 24-hour availability of staff, the provision of services primarily in the child's home or in another environment, and intensive and time-limited services.

Reunification Services

Family Reunification services are intended to help families re-integrate children into their home after they have been placed into foster care or DSS has placement authority. Reunification services typically begin while the child is still living out of the home, with the family reunification worker assisting the family in creating a safe and successful transition back to the home. Services continue after the child returns home, with workers providing individual and family therapy, case management, and client advocacy to help support the reunification.

Core Areas to be Monitored *

The OMB Circular A-133 specifies fourteen (14) areas of compliance monitoring. North Carolina has an additional requirement that policies prohibiting conflict of interest be reviewed for non-profit subrecipients. Depending on the program and type of funding, all 14 core areas may **not** be applicable to the funding source.

The core areas of compliance monitoring involve fiscal monitoring (i.e., review of financial statements, audit findings and internal control questionnaires) and program monitoring (i.e., determination of whether the eligibility criteria were met or review of the scope of work to see if the objectives of the contract have been met). Following is a brief description of each of the core areas:*

CC: Crosscutting Requirements: These are supplements written by state agencies to detail in one location the common compliance requirements that span across several programs.

A/1: Activities Allowed or Unallowed: This requirement refers to specific activities identified in the grant agreement, contract, allocation, letters, policy manuals and state or federal regulations that are allowed or that may be unallowed. The purpose of this requirement is to provide reasonable assurance that State and Federal funds are used for the intended purposes.

B/2: Allowable Costs/Cost Principles: This requirement seeks to assure that the costs paid to the contractor are reasonable and necessary for the operation and administration of the program and that the subrecipient uses an acceptable method of allocating costs, including indirect costs.

C/3: Cash Management: This requirement is only applicable if the contractor receives an advance of funds from NCDSS of more than 60 days from when the funds would ordinarily be disbursed. In accordance with the DHHS Cash Management Policy, the Controller's Office is responsible for reviewing the cash needs of subrecipients that receive advances every three months to determine whether or not the advance represents more than a 60-day cash requirement.

D: Davis-Bacon Act: *This requirement is not applicable to DHHS subrecipients.* It is a federal law that applies to contractors with contracts for more than \$2,000 financed by federal dollars where laborers and mechanics are employed.

E/5: Eligibility: This requirement ensures that only those individuals and organizations that meet the eligibility requirements for receiving services or financial assistance from the program participate in the program. The eligibility requirement for an individual diagnosis, risk factors, medical necessity criteria, income, etc. Similarly, an organization may qualify to participate in a program based on the extent to which the type of program and the mission of the organization are consistent with the requirements of the funding source.

F/6: Equipment and Real Property Management: This requirement refers to tangible property that has a useful life of more than one year and costs more than \$5,000. Such equipment may only be purchased per the conditions of the approved contract or grant agreement.

G/7: Matching, Level of Effort, Earmarking: These requirements are specifically addressed in the grant documents, allocation letters, contracts and state or federal regulations.

- *Matching* refers to the specific amount or percentage of funds the subrecipient is required to match the state or federal grant. The matching portion must be verifiable in the accounting records, incurred during the period of the award, must not be used to meet the match of another program, allowable under cost principles and derived from non-federal or non-state funds unless specifically authorized.
- *Level of Effort* refers to the specific level of service that must be provided (e.g., the number of clients the subrecipient must serve) or a specified level of service (e.g., maintenance of effort) or the requirement that federal or state funds may only be used to supplement the non-state or non-federal funding of the service.
- *Earmarking* refers to the requirement that an amount or percentage of a program's funding must be used for specific activities.

H/8: Period of Availability of Federal Funds: This requirement refers to the time period authorized for state and federal funds to be expended. State funds are authorized for the fiscal year (July 1 – June 30); however, NCDSS may allow a subrecipient to carry forward unexpended funds into the next fiscal year. Most federal funds allow additional time after the end of the grant period for obligations incurred during the grant period to be paid.

I/9: Procurement and Suspension and Debarment: This requirement assures that the subrecipient follows the state and federal policies and procedures for procurement, that the subrecipient has not been suspended or disbarred from receiving funding from the state or federal government, and that the subrecipient does not use federal funds to purchase goods or services costing more than \$100,000 from a vendor that has been disbarred by the federal or state government..

J/10: Program Income: The purpose of this requirement is to assure that program income is being used appropriately. This requirement refers to the gross income received by the subrecipient on activities, services or goods purchased with state or federal funds. Program income may be used to provide matching funds when approved by the state or federal subrecipient.

K/11: Real Property Acquisition and Relocation Assistance: *This requirement does not apply to DHHS.*

L/12: Reporting: Contract administrators are required to monitor the financial, performance and special reporting of the subrecipient in order to provide assurance that funds are being managed efficiently and effectively to accomplish the objectives of the program as specified in the compliance supplement, applicable laws and regulations, and contract or grant agreements.

M/13: Subrecipient Monitoring: Program Monitors/Contract administrators /Program coordinators are required to provide assurance that any NCDSS subrecipient that subcontracts with another subrecipient monitors the subrecipient with which the subrecipient subcontracts as specified in the compliance supplement for the funding source.

N/14: Special Tests and Provisions: Program Monitors/Contract administrators/Program coordinators must provide assurance that all special requirements found in the laws, regulations, or the provisions of the contract or grant agreement are monitored appropriately. Such special tests and provisions may relate to fiscal and/or programmatic requirements or may include actions that were agreed to as part of the audit resolution of prior audit findings or in corrective action plans identified as a result of monitoring reviews.

15: Conflict of Interest: This requirement applies to any private, non-profit entity eligible to receive state funds, either by General Assembly appropriation, or by grant, loan or other allocation from a State subrecipient (S.L. 1993-321, Section 16 of the Appropriations Act). An subrecipient official is required to sign a notarized copy of the policy before a contract is executed. Copies of the organization's attestation to the Conflict of Interest Policy is kept by the Program Compliance section in the organization's file. The Division's Conflict of Interest Policy for Private Not-for Profit Agencies can be found in Attachment B.

The applicable compliance requirements for a funding source are outlined in the compliance supplement for the specific federal or state program. In cases where a program is funded by multiple funding sources, the funding source with the most stringent requirements would be the criteria used to monitor the program. The compliance supplement identifies those core areas which at a minimum must be monitored. The Site Visit Monitoring Tool addresses the compliance requirements (see Attachment C). Monitors are not precluded from looking at additional areas as long as the minimum core areas are also examined. (See Attachment B for an overview of compliance requirements for each program for which NCDSS is the pass-through entity). Monitoring the compliance requirements helps to fulfill part of the intent of the Federal Financial Assistance Management Improvement Act of 1999 (i.e., to improve the effectiveness and performance of federal financial assistance programs).

**Note: With the exception of the Davis-Bacon Act (D) and the Conflict of Interest (15) requirement, the federal and state requirements are the same. The alphabetic code denotes how the federal requirement is referenced. The numeric code is the corresponding state code for that core area.*

The Review Process

Determining the Period Under Review

The period under review (PUR) is determined to be 12 months prior to the date of the on-site monitoring review and through the month preceding the month of the date of review. For example, if the review date is scheduled for December 2011, PUR would be December 2010-November 2011.

Contract Administrators may choose to review documentation for all periods during a subrecipient's grant cycle should the PUR uncover programmatic or fiscal concerns.

Sampling of DSS 1571 Administrative Costs

At minimum, Contract Administrators are to review a random sample of two (2) months of DSS 1571 Administrative Cost Report documentation during the PUR. Should financial testing of the sample uncover inconsistencies within line item expenditure categories, the Contract Administrator may review all DSS 1571 Administrative Costs for the line item(s) in question during the full 12-month PUR or for all periods during a subrecipient's grant cycle.

The Review

Monitoring reviews begin during the subrecipient application/contracting process. The monitoring process encompasses a variety of tools that are used throughout the contract period. Fiscal and program reports, desk monitoring, site reviews and on-going telephone/e-mail contact with contracted agencies provide valuable information to determine subrecipient's contractual compliance and program success. Contract Administrators are responsible for monitoring contractual activities, maintaining monitoring documentation and providing monitoring follow-up to all contracted agencies.

Desk Monitoring

Desk monitoring occurs on a monthly basis. Contract Administrators review the DSS 1571 III Administrative Cost Report for accurate, allowable and reasonable costs and the State Auditors' non-compliance list is reviewed to ensure all G.S. 143-6.2 reporting requirements are being fulfilled by the subrecipient. If applicable, monthly program reports or database entries are reviewed to ensure participants are enrolled and programming activities have been implemented. Ongoing telephone and e-mail monitoring is documented by the Contract Administrator when it pertains to possible contractual non-compliance issues.

During the first quarter of the contract year, subrecipients receive a "Performance Status Monitoring Tool"¹ (see Attachment D). This document is completed by the subrecipient within 90 days of the contract start date² and is essential to the desk monitoring process. A conference call is conducted between the Contract Administrator and subrecipient administration/staff to review the subrecipient's Performance Status report to ensure that required components of programming, accurate monthly reporting, and fiscal procedures are being implemented and baseline data is being compiled to fulfill the evaluation plan of the contract. In addition, any concerns or additional clarification needed by the subrecipient regarding the contract are addressed with the Contract Administrator. A review of the Performance Status Report after the conference call enables the Contract Administrator to assess and assign an initial subrecipient

¹ Contract Administrators may tailor the Performance Status Monitoring Tool template to meet the reporting requirements mandated by the program area's state or federal funding source and/or to provide additional information to assist with outcome accountability and evaluation.

² Or 90 days from the date the contract is fully executed.

risk level. The risk assessment of the subrecipient is entered into the DHHS Program Monitoring Database by the Contract Administrator³.

Assessment of Risk

Initially, risk assessment starts during the contracting process and initial risk level is assigned at the completion of the Performance Status monitoring process noted above. Areas evaluated include, but are not limited to: the size of the subrecipient, complexity of funding and programs, organizational experience, size of funding award, variety of programs, organizational history, previous experience, resolution of issues indicated in the Program Monitoring Database, and staff turnover. The following charts outline risk factors that are considered when assessing the monitoring required for each subrecipient.

Low Risk Factors*

Suggested Monitoring

No Audit finding. No corrective action plans. Capable staff with low turnover. Complete, accurate and timely routine reports. No complaints (clients, staff, etc.). Attend required meetings. Previously funded subrecipient.	Desk Review of regular reports (fiscal/program). Random request of 1571 back-up information. Desk Monitoring during the contract year. Scheduled site visit (s). Documentation of monitoring activities.
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Medium Risk Factors*

Suggested Monitoring

Audit findings. Weakness in internal controls. Weakness in staff. Change in Management/Administration. Variances in fiscal/monthly reports. New Contractor. Non-attendance of required meetings. Late contract start date. Unclear program/fiscal policies. Late submissions of required documentation.	Desk Review of regular reports (fiscal/program). Random request of 1571 back-up information. Desk Monitoring during the contract year. Scheduled site visit(s) for specific areas of concern. Corrective Action Plan implemented. Documentation of monitoring activities.
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High Risk Factors*

Suggested Monitoring

³ Entry into the DHHS Program Monitoring Database is contingent upon database availability and functionality.

<p>Unresolved audit finds. Unresolved correction action plan. Untrained staff/turnover. Complaints. Failure to submit required documentation. On Non-Compliance State Auditor's List. Lack of Program/Fiscal Policies. Failure to respond.</p>	<p>Desk Review of regular reports (fiscal/program). Random request of 1571 back-up information. Desk Monitoring during the contract year. Scheduled site visits(s) for specific areas of concern. Unscheduled site visits. Corrective Action Plan implemented. Follow-up site visit(s) within three months. Documentation of monitoring activities. Termination of contract.</p>
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* Any or all factors determine risk level

Notification of On-Site Monitoring Review

For announced reviews, Contract Administrators send a formal written notification letter on NCDSS letterhead to the subrecipients no later than 30 days prior to the scheduled review date. At minimum, the notification letter will include:

- The date and location of the review
- The contractual areas to be reviewed
- The programmatic and financial records to have available at the time of the review
- The period under review

Frequency of On-Site Monitoring Review

Based on the determination of risk, the Contract Administrator will develop a comprehensive monitoring plan for subrecipients to include prioritization for subrecipients determined to be high-risk. Increased frequency of on-site monitoring review or desk reviews, corrective action plans and related reports will be used to conduct more comprehensive monitoring for high-risk subrecipients.

Low and medium risk subrecipients will be monitored at least once during a grant cycle according to an established schedule once baseline data is collected, unless other requirements for frequency take precedence.

Monitoring Reports

The Site Review Report (see Attachment C) is completed at the end of the on-site monitoring review. The OMB Circular A-133 specifies fourteen areas of compliance monitoring and if applicable to the program are reviewed during the on-site review, in addition to the subrecipient's Conflict of Interest Policy which is included in the subrecipient's executed contract. Areas concerning programming, fiscal management, compliance requirements, personnel, safety, organizational capacity, subcontract services and evaluation are also reviewed to confirm contractual compliance during the on-site review. Subrecipients receive a copy of the completed site-review form at the end of the on-site monitoring review. At the completion of the

on-site monitoring review, Contract Administrators will re-assess risk level. The DHHS Program Monitoring Database is updated after the on-site monitoring review.

Program Non-Compliance and Corrective Action:

Within 30 days of an on-site monitoring review with identified corrective action findings, the Contract Administrator will send a formal written corrective action findings letter to the subrecipient. At minimum, the findings letter will include:

- A summary of the purpose of the review
- Strengths identified during the review
- Recommendations for continuous quality improvement
- Areas of non-compliance and required corrective action

Subrecipients will have thirty (30) days to submit correction action plan in response to the corrective action findings identified in the findings letter. Upon receipt of the subrecipient's correction action response, the Contract Administrator will review and verify the documentation for contractual compliance. Should the subrecipient satisfy all correction action findings, the Contract Administrator will issue a formal written closure letter to the subrecipient to notify the subrecipient that the corrective action items have been satisfied. The Contract Administrator will also reassign the subrecipient to a lower risk level, if appropriate.

Should the subrecipient fail to satisfy the corrective action findings, the Contract Administrator will issue a follow-up letter to the subrecipient within 30 days to notify the subrecipient of unresolved findings and required actions. The subrecipient will be given no more than 15 business days from the date of the follow-up letter to respond to the unresolved corrective action findings. In addition to the follow-up letter, the Contract Administrator may determine that a follow-up on-site monitoring review is needed to ensure compliance with contractual requirements.

Should the subrecipient fail to satisfy correction action findings upon issuance of the follow-up letter, the Contract Administrator will conduct a follow-up on-site review within 30 days of receipt of subrecipient's follow-up response, unless requirements for frequency take precedence. Reassessment of risk level will also be completed. If the subrecipient remains in non-compliance status, the contract may be terminated due to failure to meet the terms and conditions of the contract.

Maintenance of Monitoring Documentation:

All monitoring documentation, verification information, corrective action plans, correspondence, and program/fiscal reports are maintained in the subrecipient's master file located in the Community Based Program's office located at the NC Division of Social Services, 325 S. Salisbury Street, Room 779, Raleigh, NC 27603.

Monitoring tools, relevant verification information, compliance findings, corrective action plans, initial and follow-up correspondence will be maintained on DHHS/DSS Shared Drive in the Monitoring, Child Welfare Services Section.

ATTACHMENT A: SUBRECIPIENTS

Provider Name (Subrecipient)	Program Type
Association of Guidance Aid Placement & Empathy of NC	Adoption Promotion
Lutheran Family Services in the Carolinas	Adoption Promotion
Children’s Home Society of NC, Inc.	Adoption Promotion
Catholic Social Services	Adoption Promotion
Crossnore School, Inc.	Adoption Promotion
Bethany Christian Service	Adoption Promotion
Nazareth Children’s Home	Adoption Promotion
Family Services, Inc.	Adoption Promotion
Community Services for Children, Inc.	Adoption Promotion
Omni Visions, Inc.	Adoption Promotion
Barium Springs Home for Children (2)	Adoption Promotion
Easter Seals UCP, inc	Adoption Promotion
Another Choice for Black Children, Inc.	Adoption Promotion
Methodist Home for Children, Inc.	Adoption Promotion
Sevens Homes Residential Youth Development Alternative, Inc.	Adoption Promotion
The Children’s Home, Inc.	Adoption Promotion
Christian Adoption Services, Inc.	Adoption Promotion
Association of Guidance Aid Placement & Empathy of NC	Adoption Promotion
Lutheran Family Services in the Carolinas	Adoption Promotion
Children’s Home Society of NC (6)	Post Adoption Support
Another Choice for Black Children	Post Adoption Support
Barium Springs Home for Children (2)	Post Adoption Support
Center for Child & Family Health	Post Adoption Support
Easter Seals UCP	Post Adoption Support
Exchange Club Child Abuse Prevention Center of NC, Inc. (2)	Intensive Family Preservation /Reunification
Methodist Home for Children (2)	Intensive Family Preservation /Reunification
Children’s Home Society of NC (3)	Intensive Family Preservation /Reunification
Eckerd Youth Alternatives	Intensive Family Preservation /Reunification
Barium Springs Home for Children (3)	Intensive Family Preservation /Reunification
Alleghany Partnership for Children	Family Support Program Services
Barium Springs Home for Children	Family Support Program Services
Burke County Public Schools	Family Support Program Services
Chapel Hill Training Outreach Project, Inc.(2)	Family Support Program Services
Child and Parent Support Services, Inc. (NC CTP)	Family Support Program Services

ATTACHMENT A: SUBRECIPIENTS

Provider Name (Subrecipient)	Program Type
Children's Center of Surry, Inc	Family Support Program Services
Children's Home Society of NC	Family Support Program Services
Columbus County DREAM Center, Inc.	Family Support Program Services
Communities In Schools of Brunswick County, Inc	Family Support Program Services
Communities In Schools of Durham, Inc.	Family Support Program Services
Down East Partnership for Children (2)	Family Support Program Services
Durham County Government	Family Support Program Services
Exchange Clubs' Family Center	Family Support Program Services
Exchange Foundation for the Prevention of Child Abuse	Family Support Program Services
Fairgrove Family Resource Center	Family Support Program Services
Family Resources of Cherokee County, Inc	Family Support Program Services
Family Service of the Piedmont, Inc.	Family Support Program Services
Franklin-Vance-Warren Opportunity	Family Support Program Services
Help, Incorporated: Center Against Violence	Family Support Program Services
Martin-Tyrrell-Washington District Health Department	Family Support Program Services
McDowell County Schools	Family Support Program Services
Richmond County Community Support Center, Inc	Family Support Program Services
Robeson County Committee on Domestic Violence, Inc.	Family Support Program Services
Robeson County Dept of Public Health	Family Support Program Services
SAFEchild, Inc.(2)	Family Support Program Services
Southwestern Child Development Corporation	Family Support Program Services
Swain County Government	Family Support Program Services
The Family Place of Transylvania County	Family Support Program Services
University of North Carolina at Chapel Hill	Family Support Program Services
Wayne Action Group for Economic Solvency (3)	Family Support Program Services
Caring for Children, Inc	Family Support Program Services
Chapel Hill Training Outreach Project, Inc.	Family Support Program Services
Exchange Club Center for the Prevention of Child Abuse of NC, Inc.	Family Support Program Services
Richmond County Community Support Center, Inc	Family Support Program Services
Southwestern Child Development Commission, Inc. (2)	Family Support Program Services
The Children's Center of Surry, Inc	Family Support Program Services
Wayne Uplift Resource Association, Inc	Family Support Program Services
Youth Focus, Inc.	Family Support Program Services
Exchange Clubs' Family Center	Children's Trust Fund
Barium Springs Home For Children	Children's Trust Fund

ATTACHMENT A: SUBRECIPIENTS

Provider Name (Subrecipient)	Program Type
Cabarrus Health Alliance	Children’s Trust Fund
Chatham County Health Dept	Children’s Trust Fund
Child Advocacy and Parenting Place	Children’s Trust Fund
Child Advocacy Center, Inc.	Children’s Trust Fund
East Carolina University	Children’s Trust Fund
Exceptional Children's Assistance Center	Children’s Trust Fund
Prevent Child Abuse North Carolina	Children’s Trust Fund
SAFEchild, Inc.	Children’s Trust Fund
The Family Place of Transylvania County	Children’s Trust Fund
Albemarle Hopeline, Inc	Family Violence Prevention
Anson County Government	Family Violence Prevention
Ashe County Partnership for Children	Family Violence Prevention
Cabarrus Victims' Assistance Network	Family Violence Prevention
Carteret County Domestic Violence Program, Inc.	Family Violence Prevention
Center for Family Violence Prevention	Family Violence Prevention
Citizens Against Domestic Violence	Family Violence Prevention
Coastal Women's Shelter, Inc.	Family Violence Prevention
Cumberland County Department of Social Services	Family Violence Prevention
Davie County Government	Family Violence Prevention
Diakonos, Inc.	Family Violence Prevention
Domestic Violence and Rape Crisis Center of Scotland County	Family Violence Prevention
Domestic Violence Shelter and Services, Inc.	Family Violence Prevention
Faith in Action Inc	Family Violence Prevention
Families First, Inc.	Family Violence Prevention
Family Abuse Services of Alamance County, Inc.	Family Violence Prevention
The Family Guidance Center, Inc.	Family Violence Prevention
Family Resources of Rutherford County, Inc.	Family Violence Prevention
Family Services Inc.	Family Violence Prevention
Family Service of the Piedmont, Inc.	Family Violence Prevention
Family Services of Davidson County Inc.	Family Violence Prevention
Family Services of McDowell County, Inc.	Family Violence Prevention
Family Violence and Rape Crisis Services	Family Violence Prevention
Family Violence Coalition of Yancey, Inc.	Family Violence Prevention
Family Violence Prevention Center of Orange County Inc	Family Violence Prevention
Gaston County Department of Social Services	Family Violence Prevention

ATTACHMENT A: SUBRECIPIENTS

Provider Name (Subrecipient)	Program Type
Greater Mount Airy Ministry of Hospitality Inc	Family Violence Prevention
Harbor Inc	Family Violence Prevention
Haven in Lee County, Inc	Family Violence Prevention
Help Incorporated: Center Against Violence	Family Violence Prevention
Helpmate, Incorporated	Family Violence Prevention
Hope Harbor Home, Inc.	Family Violence Prevention
Legal Aid of North Carolina, Inc.	Family Violence Prevention
Lincoln County Coalition Against Domestic Violence	Family Violence Prevention
Mainstay, Inc.	Family Violence Prevention
Mitchell County Safe Place	Family Violence Prevention
My Sister's House, Inc.	Family Violence Prevention
My Sister's Place, Inc.	Family Violence Prevention
New Horizons: Life and Family Services	Family Violence Prevention
North Carolina Coalition Against Domestic Violence	Family Violence Prevention
Oasis, Inc.	Family Violence Prevention
Onslow Womens Center	Family Violence Prevention
The Outer Banks Hotline, Inc	Family Violence Prevention
Pisgah Legal Services	Family Violence Prevention
Randolph County Family Crisis Center, Inc.	Family Violence Prevention
REACH of Haywood County, Inc.	Family Violence Prevention
REACH of Jackson County, Inc.	Family Violence Prevention
REACH of Macon County Inc	Family Violence Prevention
Roanoke Chowan Services for Abused Families With Emergencies	Family Violence Prevention
Robeson County Committee on Domestic Violence, Incorporated	Family Violence Prevention
Safe Haven of Pender, Inc.	Family Violence Prevention
Safe in Lenoir County, Inc	Family Violence Prevention
Safe Space, Inc.	Family Violence Prevention
SAFE Inc. of Transylvania County	Family Violence Prevention
Sarah's Refuge, Inc.	Family Violence Prevention
The Shelter's Home of Caldwell County, Inc.	Family Violence Prevention
Sheltered Aid to Families in Emergencies (SAFE)	Family Violence Prevention
Steps to HOPE, Inc.	Family Violence Prevention
Task Force of Family Violence R.E.A.C.H.	Family Violence Prevention
The Family Violence Prevention Center, Inc. DBA Interact	Family Violence Prevention
The University of North Carolina at Charlotte	Family Violence Prevention

ATTACHMENT A: SUBRECIPIENTS

Provider Name (Subrecipient)	Program Type
Turning Point, Inc.	Family Violence Prevention
U Care Inc	Family Violence Prevention
United Family Services Inc	Family Violence Prevention
Wayne Uplift Resource Association, Inc	Family Violence Prevention
Wesley Shelter, Inc.	Family Violence Prevention
Adults Working and Advocating for Kids Empowerment	Child Advocacy Centers
Carolina Medical Center-Northeast	Child Advocacy Centers
Child Advocacy Center	Child Advocacy Centers
Children's Advocacy Center of Catawba County, Inc	Child Advocacy Centers
Children's Advocacy Center of Cleveland County, INC	Child Advocacy Centers
Crossroads	Child Advocacy Centers
Dove House Children's Advocacy Center	Child Advocacy Centers
East Carolina University	Child Advocacy Centers
Family Resources	Child Advocacy Centers
Family Service of the Piedmont -Greensboro CAC	Child Advocacy Centers
Family Service of the Piedmont -Hope House	Child Advocacy Centers
Family Service, Inc. of Gaston County	Child Advocacy Centers
H.A.V.E.N.	Child Advocacy Centers
Heart to Heart	Child Advocacy Centers
K.A.R.E.	Child Advocacy Centers
KIDS FIRST	Child Advocacy Centers
KIDS Place	Child Advocacy Centers
Lincoln County Coalition Against Child Abuse	Child Advocacy Centers
Pat's Place Child Advocacy Center	Child Advocacy Centers
Southmountain Children & Family Services (Gingerbread House)	Child Advocacy Centers
The Butterfly House - Stanly Regional Medical Center	Child Advocacy Centers
The Healing Place	Child Advocacy Centers
United Family Services, Inc.	Child Advocacy Centers

*(Use this for all contracts that require a conflict of interest policy. Page one is to be completed by the Contractor **and** a copy of the Contractor's conflict of interest policy must be submitted. The Contractor can adopt page 2 as their conflict of interest policy or attach their current adopted policy. Note: Verification is needed on a yearly basis. For contracts extending more than one state fiscal year, the contract file must include documentation that the Conflict of Interest Policy has not changed from the previous year. If the policy has changed, a new conflict of interest policy must be submitted. Remember to delete all instructions in blue italic.)*

NOTARIZED CONFLICT OF INTEREST POLICY

State of North Carolina

County of _____

I, _____, Notary Public for said County and State, certify that

_____ personally appeared before me this day and acknowledged

that he/she is _____ of [enter name of entity]

and by that authority duly given and as the act of the Organization, affirmed that the foregoing Conflict of Interest Policy

was adopted by the Board of Directors/Trustees or other governing body in a meeting held on the _____ day of _____, _____.

Sworn to and subscribed before me this _____ day of _____, _____.

(Official Seal)

Notary Public

My Commission expires _____, 20 ____

Instruction for Organization:

Sign and attach the following pages after adopted by the Board of Directors/Trustees or other governing body OR replace the following with the current adopted conflict of interest policy.

Name of Organization

Signature of Organization Official

Printed Name of Organization Official

Conflict of Interest Policy

The Board of Directors/Trustees or other governing persons, officers, employees or agents are to avoid any conflict of interest, even the appearance of a conflict of interest. The Organization's Board of Directors/Trustees or other governing body, officers, staff and agents are obligated to always act in the best interest of the organization. This obligation requires that any Board member or other governing person, officer, employee or agent, in the performance of Organization duties, seek only the furtherance of the Organization mission. At all times, Board members or other governing persons, officers, employees or agents, are prohibited from using their job title, the Organization's name or property, for private profit or benefit.

A. The Board members or other governing persons, officers, employees, or agents of the Organization should neither solicit nor accept gratuities, favors, or anything of monetary value from current or potential contractors/vendors, persons receiving benefits from the Organization or persons who may benefit from the actions of any Board member or other governing person, officer, employee or agent. This is not intended to preclude bona-fide Organization fund raising-activities.

B. A Board or other governing body member may, with the approval of Board or other governing body, receive honoraria for lectures and other such activities while not acting in any official capacity for the Organization. Officers may, with the approval of the Board or other governing body, receive honoraria for lectures and other such activities while on personal days, compensatory time, annual leave, or leave without pay. Employees may, with the prior written approval of their supervisor, receive honoraria for lectures and other such activities while on personal days, compensatory time, annual leave, or leave without pay. If a Board or other governing body member, officer, employee or agent is acting in any official capacity, honoraria received in connection with activities relating to the Organization are to be paid to the Organization.

C. No Board member or other governing person, officer, employee, or agent of the Organization shall participate in the selection, award, or administration of a purchase or contract with a vendor where, to his knowledge, any of the following has a financial interest in that purchase or contract:

1. The Board member or other governing person, officer, employee, or agent;
2. Any member of their family by whole or half blood, step or personal relationship or relative-in-law;
3. An organization in which any of the above is an officer, director, or employee;
4. A person or organization with whom any of the above individuals is negotiating or has any arrangement concerning prospective employment or contracts.

D. **Duty to Disclosure** -- Any conflict of interest, potential conflict of interest, or the appearance of a conflict of interest is to be reported to the Board or other governing body or one's supervisor immediately.

E. **Board Action** -- When a conflict of interest is relevant to a matter requiring action by the Board of Directors/Trustees or other governing body, the Board member or other governing person, officer, employee, or agent (person(s)) must disclose the existence of the conflict of interest and be given the opportunity to disclose all material facts to the Board and members of committees with governing board delegated powers considering the possible conflict of interest. After disclosure of all material facts, and after any discussion with the person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

In addition, the person(s) shall not participate in the final deliberation or decision regarding the matter under consideration and shall leave the meeting during the discussion of and vote of the Board of Directors/Trustees or other governing body.

F. **Violations of the Conflicts of Interest Policy** -- If the Board of Directors/Trustees or other governing body has reasonable cause to believe a member, officer, employee or agent has failed to disclose actual or possible conflicts of interest, it shall inform the person of the basis for such belief and afford the person an opportunity to explain the alleged failure to disclose. If, after hearing the person's response and after

making further investigation as warranted by the circumstances, the Board of Directors/Trustees or other governing body determines the member, officer, employee or agent has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

G. Record of Conflict -- The minutes of the governing board and all committees with board delegated powers shall contain:

1. The names of the persons who disclosed or otherwise were found to have an actual or possible conflict of interest, the nature of the conflict of interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.
2. The names of the persons who were present for discussions and votes relating to the transaction or arrangement that presents a possible conflict of interest, the content of the discussion, including any alternatives to the transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Approved by:

Name of Organization

Signature of Organization Official

Printed Name of Organization Official

Date

ATTACHMENT C: Site Visit Report

Instructions: The Contract Administrator will conduct a site visit during the contract year. The Performance Status Report completed by the Provider should accompany this report. Attach all supporting documents necessary. Site Visit information must be entered into the DHHS Program Monitoring Database.

Subrecipient:	Site Visit Date:	Risk Assessment:
Program Name:		Contract #
Program Type:		
Type of Visit: <input type="checkbox"/> Monitoring Visit <input type="checkbox"/> Site Visit <input type="checkbox"/> Technical Assistance <input type="checkbox"/> Other (Explain)		
In Attendance:		Date:

Topic Area	Yes	No	N/A	Recommendations/Comments
A. Budget				
1. Are 1571 fiscal reports on file and is an electronic copy maintained?				
2. Are 1571 fiscal reports submitted on time?				
3. Are 1571 fiscal reports submitted accurately?				
4. B/2- Are Costs Allowable				
5. Is budget spend down appropriate?				
6. Is a budget amendment needed?				
7. Are receipts kept for audit purposes? Review back up information for one submitted 1571 report. Attach to report.				
8. Are expenditures in accordance with the budget?				
9. Is travel documented - date, distance, locations, staff purpose & rates?				
10. Are funds co-mingled (placed in one account)?				
If Yes, is there a Journal/Ledger Spreadsheet?				
11. G/7: Are match requirements being met?				
-- Can grantee provide clear documentation of match?				
-- What are the sources of the match?				
12. Records are retained for five years from the end date of the contract				
B. Equipment (F/6)				
1. Has approved equipment been purchased? Review receipts.				
2. Was competitive bidding used to obtain equipment?				

3. Is equipment being used appropriately and clearly marked "Property of DHHS"?				
C. Professional and Contractual Services				
1. Have all subcontracts received PRIOR grantor approval?				
2. Are subcontractor's contracts signed and filed?				
3. Does subcontract outline work to be performed and does it comply with program objectives?				
4. Are subcontractors submitting required fiscal/program reports by required deadlines?				
5. Was competitive bidding used to obtain subcontract(s)?				
6. If sole source used, is approval on file?				
7. Is "Subcontractor" making regular & accurate billing?				
D. Personnel				
1. Are all contract positions filled?				
2. Are file folders maintained for each employee (including employment applications, job descriptions, resumes, background checks, reference checks, W-4 and I-9 forms, etc)?				
3. Are time sheets maintained for all employees?				
4. Are there any conflict of interest issues in the hiring/supervision process?				
5. Has staff attended required training?				
E. Programming				
1. Did the program start on time?				
2. Is the program design implemented?				
3. Has projected number of participants been met?				
4. E/5-Do participants meet eligibility requirements?				
5. Is programming delivered in a culturally competent manner?				
6. Is programming required by the federal/state funding source being implemented?				
7. A/1-Are activities Allowable				
8. Is information entered into the program database timely?				

9. Is information entered into the program database accurate? Attach to report.				
10. Are program polices and procedures in place?				
11. Is programming in a safe and secure environment?				
12. Is client information on file?				
13. Interview or discussion with staff/participants/board members.				
14. Is staff to client ratio appropriate?				
15. Are services provided outside of traditional hours?				
16. Is baseline/outcome data being collected?				
17. Is there evidence of on-going collaboration with other service delivery systems/community partners?				
E. Organizational Capacity				
1. Review board member roster - attach to report.				
2. Review board member minutes - attach to report				
3. Are the required individuals on the advisory board?				
4. Review subrecipient's By-Laws – attach to report.				
5. Is staff turn-over rate high?				
6. Is appropriate supervision given to staff?				
7. Is there a Sustainability Plan?				

Briefly, describe what follow-up support (if any) is needed.

Is a Corrective Action Plan needed: YES NO

If yes, Corrective Action Plan steps may/will be required to be initiated and resolved within 30 days.

Coordinator/Consultant

_____ Date _____

Program Administrator

_____ Date _____



ATTACHMENT D: Performance Status Monitoring Tool

Instructions: This report is to be completed twice during the contract year. Please enter all information requested in the spaces provided. If additional space is needed, please follow the format and add to the 'Goal/Outcome' list. If unclear about the information needed, please contact your Contract Administrator. Submit this report to your Contract Administrator via e-mail. A conference call will be scheduled to discuss the report. You may include program staff and a fiscal employee during the conference call.

Goal: On a yearly basis, the North Carolina General Assembly allocates funds to the Department of Health and Human Services' Division of Social Services for the provision of _____ Programs. It is our goal to ensure that organizations are self-monitoring and meeting their contracted measurable program outcomes. This completed report will be due by _____. Please note that upon completion of this report, an Evaluation Conference Call will be scheduled to review your program's current performance status and outcomes.

Name of Organization:

Name of Program:

Please list all contracted services and activities:

Contracted Number of Participants: _____ Contracted Funded Amount: \$_____

Population Served: Children Parents/Guardians Families Other

County/Area Served:

Please list, as stated in your proposal, at least three needs in your community that will be addressed through your program:

FISCAL MANAGEMENT:

1. Does the subrecipient fiscal staff person have a copy of the contract and budget?

YES NO

2. Is the 1571 Reimbursement form submitted by the 10th of each month?

YES NO

3. Are multiple funding sources received by the subrecipient?

YES NO

4. Are funds co-mingled (deposited into one account)?

YES NO

5. If "Yes" to question 3 or 4 : Please have a copy of the subrecipient's **Cost Allocation Plan** available for review during site visit.

6. All equipment purchased from the funding for this program is to be labeled "Property of _____ DHHS – FRC"?

Labeled equipment will be viewed during the site visit.

7. Does your contract include Flex Funds to assist participants during times of crisis?

YES NO

If 'yes', please have a copy of the policy for expending these funds available for review during the site visit.

8. How are subcontractors monitored?

PROGRAMMING:

1. Is a copy of the contract located at the program site(s)?

YES NO

2. Have all of the staff listed in the budget been hired?

YES NO

3. Has a calendar of activities been provided monthly to the state office?

YES NO

4. Is there a Policy and Procedures manual onsite at the program?

YES NO

(Please have available for review during the site visit.)

5. Has each adult participant been invited to join the Advisory Board?

YES NO

6. Are families referred to other Subrecipients for services not provided by your program?

YES NO

DATABASE:

1. Is the Database completed monthly in an accurate and timely manner?

YES NO

2. Who is responsible for database entry accuracy?

3. Does the Program Director check the database monthly for accuracy?

YES NO

EVALUATION:

Please list all your **Goals, Objectives, and Outcomes**, as stated in your approved Contract:

Goal 1:

Outcome 1:

How will Outcomes for this activity be measured? (Attach a copy of the measurement tool)

Status (check one) ____ In Progress ____ Completed To Begin on _____

Describe key accomplishments and challenges with this measurable goal/outcome:

Outcome 2:

How will Outcomes for this activity be measured? (Attach a copy of the measurement tool)

Status (check one) ____ In Progress ____ Completed To Begin on _____

Describe key accomplishments and challenges with this measurable goal/outcome:

Outcome 3:

How will Outcomes for this activity be measured? (Attach a copy of the measurement tool)

Status (check one) ____ In Progress ____ Completed To Begin on _____

Describe key accomplishments and challenges with this measurable goal/outcome:

Goal 2:

Outcome 1:

How will Outcomes for this activity be measured? (Attach a copy of the measurement tool)

Status (check one) In Progress Completed To Begin on _____

Describe key accomplishments and challenges with this measurable goal/outcome:

Outcome 2:

How will Outcomes for this activity be measured? (Attach a copy of the measurement tool)

Status (check one) In Progress Completed To Begin on _____

Describe key accomplishments and challenges with this measurable goal/outcome:

Goal 3:

Outcome1:

How will Outcomes for this activity be measured? (Attach a copy of the measurement tool)

Status (check one) In Progress Completed To Begin on _____

Describe key accomplishments and challenges with this measurable goal/outcome:

Outcome 2:

How will Outcomes for this activity be measured? (Attach a copy of the measurement tool)

Status (check one) In Progress Completed To Begin on _____

Describe key accomplishments and challenges with this measurable goal/outcome:

Date and time for a telephone conference call to discuss this document:

_____ TBA _____. A site visit will be scheduled during the conference call.

Date and time of Scheduled Site Visit: _____ TBA _____