

North Carolina Department of Health and Human Services
Division of Social Services

325 North Salisbury Street • Raleigh, North Carolina 27603
Courier # 56-20-25

Michael F. Easley, Governor
Carmen Hooker Odom, Secretary

Pheon E. Beal, Director
(919) 733-3055

March 27, 2003

Dear County Director of Social Services:

SUBJECT: Work First Block Grant/TANF Maintenance of Effort/Reallocation

The Division is again offering counties some options to assist with meeting Maintenance of Effort (MOE) requirements or be part of a reallocation of TANF funds for the current fiscal year. If you are interested in exercising these options you **MUST** make your request to the Division of Social Services, Budget Office in writing via regular mail or e-mail.

As you know, the County's required Maintenance of Effort consists of the county funds in your Work First Block Grant, and the county match in IV-E Child Protective Services (up to the amount of your state IV-E CPS allocation). **Counties will be held to the mandate of meeting 100% of MOE this fiscal year** (or 90% of original MOE for electing counties). If MOE is not met in full, the Budget Office will exercise its right to reclassify TANF 100% Federal expenditures to county funds for MOE up to the amount of the required MOE.

Maintenance of Effort

To assist you in meeting MOE, you may request permission from the Budget Office to exercise either or both of the following options, up to a total of 10% of your MOE in Work First Block Grant (NOT 10% for each option).

IMPORTANT: *If either of these options is exercised, the county will **NOT** be considered for a reallocation of TANF 100% Federal funds (if the State is able to reallocate TANF funds).*

1. Automation: You may request to use the cost of automation that has been or will be purchased this fiscal year, and cost allocated on the DSS-1571 (not direct charges). Note: If you submit a letter to the Controller and receive permission to direct charge the automation to WFBG MOE, that is already counting toward MOE and would not need to be requested under this option. If you are approved to exercise this option, you

must submit receipts for the automation expenses to the Budget Office no later than **July 3, 2003** in order to receive the MOE credit at year-end closeout.

2. Excess county spending in IV-E CPS: You may request to use county dollars spent for IV-E CPS over and above the MOE requirement for IV-E CPS. That is, if you have exhausted the State allocation in IV-E CPS, and you continue to code to this fund source, your county share increases to 50% of your expenditure. It no longer counts as true MOE, but you may request that the Budget Office count the additional county funds under this option, up to the 10% total allowable. This adjustment to MOE would then be made at year-end, according to the amount of excess county funds showing on the XS337-CTY report.

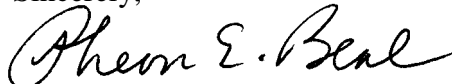
Reallocation of TANF Funds

To be eligible for TANF reallocation at year-end a county must meet MOE without assistance of the above MOE procedures. The county must have available an additional Work First Block Grant MOE match of 10% of the reallocation amount. Counties requesting a reallocation of TANF funds must include the amount of additional TANF funding the county would like to receive. Reallocations will be made only if funding is available.

Counties wishing to exercise the option(s) explained above **must** submit a plan for approval to Kathy Sommese, Budget Analyst, at the Division of Social Services, 2417 Mail Service Center, Raleigh, NC 27699-2417; or by email at Kathy.Sommese@ncmail.net, **prior to June 18, 2003**. Please include your email address so that the Budget Office can confirm receipt of your request, as well as notify you more quickly whether your plan is approved. We are aware that expenditures must be recorded on the County's General Ledger by May 31, 2003, in order to qualify for MOE for the current fiscal year.

The Division staff will be available to assist counties, as plans are developed to meet the MOE requirement. If you need assistance, please contact your Local Business Liaison.

Sincerely,



Pheon E. Beal
Director

Cc: Lanier Cansler
Gary Fuquay
Jack Chappell
Debbie Hawkins
Sherry Bradsher

LBLs

BG-03-2003

