



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

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Courier # 56-20-25

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October 3, 2003

DEAR COUNTY DIRECTOR OF SOCIAL SERVICES

SUBJECT: Work First County Block Grant and TEA Spending

The North Carolina Division of Social Services has reviewed the Work First County Block Grant (WFCBG) and TEA Foster Care spending as well as the reallocation process for SFY 02-03. Due to the funding limitations of the WFCBG, counties will no longer be allowed to over expend their funding authorizations beginning with SFY 03-04.

Effective with services for September 2003 reimbursed in October 2003, the following procedures will be implemented to ensure overspending does not occur as well as assist the counties in tracking and monitoring their entire WFCBG spending.

TEA Foster Care is included as part of the WFCBG allocation. In order for the county to track all WFCBG expenditures (including TEA Foster Care), it is necessary to combine the TEA Foster Care reimbursement information on the DSS 1571 reimbursement reports, while continuing to track the current TEA Foster Care cases in the Child Placement and Payment System (CPPS). To accomplish this, the reimbursement percentage for TEA Foster Care CPPS will be changed from 100% Federal to 100% County for tracking purposes in CPPS. All current CPPS reports will still continue to be produced. Two new application codes will be assigned for TEA Foster Care expenditure reporting on the DSS 1571. An automated interface will be created which will capture the expenditures reported as 100% County in CPPS and record these expenditures to the appropriate application codes on the DSS 1571 as 100% Federal. In other words, counties will now receive and track their TEA Foster Care reimbursement through the DSS 1571. These new application codes will appear on the XS 373, 335, 337 and 411 reports. Counties may use their PQA 026 reports to compare with the DSS 1571 reports to assure their reimbursement has been received.

In order to maintain all expenditures for SFY 03-04 on the same reports, the counties will be drafted for all reimbursements they have received for TEA Foster Care since July 2003. This draft will occur the first week in November with an effective October date. Also during October, this amount plus the regular reimbursement amount for September services paid in October will be transferred to the new DSS 1571 application codes and reimbursed back to the counties.



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A letter will be issued from the DHHS Controller's Office related to a new "100% County" application code to be used for WFCBG overages. This application code will not appear on the WC-373 report or on the XS411 report and will not count towards county MOE. Since counties have the capability of reviewing their expenditures prior to uploading to the State, they should monitor their funding authorization and move any WFCBG overages using this new application code to other eligible funding sources. Unless requested in writing by the County DSS Director, this overspending will not be reclassified to County MOE since neither the DSS Budget office nor the Controller's Office will know if these expenditures/recipients qualify for MOE. It will be the county's responsibility to request these expenditures be moved to an MOE application code if all eligibility qualifications are met and documented at the county level. This should also promote appropriate reporting/coding to begin this fiscal year to prevent unnecessary adjustments by DHHS County Administration. It will also be the responsibility of the county when WFCBG overspending occurs to update the DSS 5094 for any TEA Foster Care cases they wish to reclassify to the State Foster Home Fund (SFHF). The Controller's Office will not retroactively reclass TEA Foster Care cases to SFHF to reduce a county's overspending. The XS411 report will be modified to reflect WF Federal allocation and WF State allocation only. All Federal reimbursable expenditures will be reflected under WF Federal and all State reimbursable expenditures will be reflected under WF State.

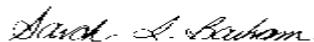
A letter will be issued later in the year advising counties of procedures that will be followed for the reallocation of WFCBG Federal funding if funds are available. These procedures will be presented and reviewed by the fiscal co-chairs of the Fiscal Committee.

A letter will also be issued by the end of October to electing counties describing in further detail how these new procedures will affect them.

We hope these changes will assist each county as they monitor their WFCBG spending.

If you have any questions, please contact your Local Business Liaison.

Sincerely,



Sarah L. Barham
Budget Officer

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BG-04-03

