



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

Child Support Services

Post Office Box 20800, Raleigh, NC 27619-0800 Courier # 55-41-12
Telephone (919) 855-4755

Beverly Eaves Perdue, Governor
Albert A. Delia, Acting Secretary

Sherry S. Bradsher, Director

March 20, 2012

Dear County Director of Social Services
Dear County Child Support Managers

Reference: Reinvestment of Child Support Incentive Payments

The objectives of the Child Support Enforcement Program are to: (1) enforce support obligations owed by non-custodial parents, (2) locate absent parents, (3) establish paternity, and (4) obtain child and spousal support.

Federal regulations provide in 45 CFR Section 305.35 for the reinvestment of incentives. Those regulations state:

A State must expend the full amount of incentive payments received under this part to supplement, and not supplant, other funds used by the State to carry out IV-D program activities or funds for other activities approved by the Secretary which may contribute to improving the effectiveness or efficiency of the State's IV-D program, including cost-effective contracts with local agencies, whether or not the expenditures for the activity are eligible for reimbursement under this part.

The Office of Management and Budget provides information on the allowability of costs and the administering of funds in its OMB Circular A-87 which can be found at http://www.whitehouse.gov/omb/circulars_default/ or in the DSS Fiscal Manual at <http://info.dhhs.state.nc.us/olm/manuals/oc/fsc/man/> Section II Determination of Allowable/Unallowable Cost. If you have questions about the DSS Fiscal Manual, contact Debbie Hawkins at debbie.hawkins@dhhs.nc.gov or Myra Dixon at myra.dixon@dhhs.nc.gov.

Allowable activities must be used to administer the Child Support Program. These are for services and activities for parent locator services, establishment of paternity, enforcement of support obligations and collection and distribution of support payments.

Unallowable activities are items such as activities related to administration of other federal programs, construction and major renovation, furniture, caseworkers assigned to other programs and costs of counsel for indigent defendants in IV-D actions.

Mission Statement

To consistently collect as much child support money as possible for the benefit of North Carolina's children.

There are some activities that require federal approval. If you are not sure and need to know if a specific cost is allowable or unallowable, please email your question to Jamil Choudhary at jamil.choudhary@dhhs.nc.gov. We will work with our federal program partners to determine if the activity is allowable.

If you have questions, please contact me at daisie.blue@dhhs.nc.gov, or 919.855.4755.

Sincerely,



Daisie B. Blue

CSE-03-2012

cc: Judy McArn
Jamil Choudhary
Kathy Sommese
Debbie Hawkins

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