

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

325 North Salisbury Street • 2408 Mail Service Center
Raleigh, North Carolina 27699-2408
Courier # 56-20-25

Michael F. Easley, Governor
Carmen Hooker Odom, Secretary

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

March 7, 2005

Dear County Director of Social Services and County DSS Attorney

**Attention: Child Welfare Program Managers and Supervisors
Child Welfare Workers**

Subject: Preparation for Federal IV-E Eligibility Audit

Subject: Update on Preparation for Federal IV-E Eligibility Audit

This is in follow-up to the Dear County Director letter dated October 14, 2004, regarding the preparations for the upcoming Federal IV-E Eligibility Audit. At the time of that letter, we informed you that our next Federal Title IV-E Eligibility Audit would occur during the last week of April 2005. With this review, the Federal government will assess the State's adherence to Title IV-E eligibility criteria. The period for review was identified as April 1, 2004, through September 30, 2004.

We have now received our sample list from ACF. This list includes 80 cases for review and 20 cases for an over sample. We are attaching this list of cases to this letter. Please note that each case is assigned a review number for each the main list and for the over sample list. The cases are listed by county alphabetically. If your county is listed, please begin identifying the cases selected. Your Children's Programs Representative (CPR) will be contacting you in the very near future to work with you in reviewing each case using the attached IV-E monitoring tools and instructions. These are the same tools and instructions that will be used in the audit. As soon as you get the list and identify the cases from the SIS ID numbers, please make a list of each child's placement history from April 1, 2004, through September 30, 2004. Your CPR will be collecting these placement histories to send to us. We have to provide them to the federal staff. We will also be pulling the payment histories from the Child Placement and Payment System. Please make sure that all 5094s are up to date. A plan for getting these records from the county to the Albemarle Building and returned safely to you is being developed and you will be notified of that plan through your CPR.

Please remember that the ramifications for this review are extremely serious for our state. Out of a sample of 80 cases, the error threshold for this review is 4 cases as opposed to the threshold of 8 cases in the last review. Any case found in error will be subject to disallowance of Federal Financial Participation (FFP) for both maintenance costs and for associated IV-E Administrative costs. If the state exceeds the error threshold of 4 cases, the state (and ultimately, the counties) will be subject to additional financial sanctions and be required to implement a program improvement plan.

The Title IV-E Eligibility Review will measure compliance with all requirements related to the child, such as:

- Judicial determinations: contrary to the welfare (best interest) and reasonable efforts
- Voluntary placement agreements with appropriate determinations within 180 days
- Agency has responsibility for placement and care

Dear County Director
March 7, 2005
Page 2

- Income and deprivation determinations based on the AFDC Look Back Date
- Child placed in a licensed home or facility

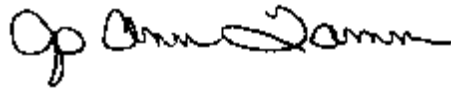
This review will also measure compliance with all requirements for every placement provider with whom the child was placed during the period of April 1, 2004, through September 30, 2004, such as:

- Licensing file with complete history
- Copy of the license current to the time of the child's placement in the home
- Documentation of compliance with safety requirements (i.e. criminal records checks)
- Any supplementary information to the licensing file as necessary to verify eligibility

We are asking that you review 100% of these children to determine if they are correctly coded as IV-E eligible. If the child would be eligible but certain documents are missing in the file, you should ensure that the documents are located and placed in the file. Some of the review questions relate only to the period of April 1, 2004, through September 30, 2004. Other review questions relate back to the child's original entry into DSS custody. We ask that you pay close attention to the time frames associated with each question on the review instrument and instructions.

If you have questions or need clarification, please contact your CPR or Hope Hunt or Sara Anderson Mims at (919) 733-4622 or at hope.hunt@ncmail.net or sara.mims@ncmail.net. I recognize that we are asking a great deal from you and your staff in preparation for this federal audit. However, if we can adequately prepare, we will be in compliance with regulations and be better prepared for ongoing compliance.

Sincerely,



Jo Ann Lamm, Section Chief
Family Support and Child Welfare Services Section

JAL/ehh

Attachment

Cc: Pheon Beal
Sherry Bradsher
Sarah Barham
Austin Connors
Local Business Liaisons
FSCWS Team Leaders
Children's Services Programs Representatives

FSCWS-09-05