



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

325 North Salisbury Street
2420 Mail Service Center • Raleigh, North Carolina 27699-2420
Courier # 56-20-25

Beverly Eaves Perdue, Governor
Lanier M. Cansler, Secretary

Sherry S. Bradsher, Director
(919) 733-3055

April 13, 2009

RE: ARRA Administrative Funding for Food and Nutrition Services

Dear County Director of Social Services:

The American Recovery and Reinvestment Act of 2009 (ARRA) was signed into law by the President on February 17, 2009. The Act contained provisions that increased the Food and Nutrition Services benefits as well as the allocation of new administrative funding. The administrative funds are available from April 9, 2009 through September 30, 2009 and October 1, 2009 through September 30, 2010. The amount of administrative funds currently available to counties for this Federal Fiscal Year is \$4,153,209. A separate notification will be sent out at a later date for the 2009-10 FFY allocation. The distribution is based on each county's Food and Nutrition Services (FNS) caseload size and total number of FNS applications taken in December 2008, January and February 2009. Each county will receive a minimum allotment of \$20,000. These funds are provided at 100% with no matching requirement. Funds may be used to pay overtime, hire new staff or contract staff to assist with the increased demand for food assistance. The funds must be used to provide Food and Nutrition Services benefits to the residents of your county. Fund balances will be carried forward to State Fiscal Year beginning July 1, 2009.

The State Division of Social Services will retain 10% of the total allocation for administrative cost related to Quality Control as well as oversight of the Food and Nutrition Services Program and tracking of the federal recovery funds. North Carolina is one of 16 states nationwide that has been identified for auditing of the spending of the ARRA funds. It is crucial that spending of the ARRA funds be reported appropriately. The Division will review how the ARRA funds are spent and target at-risk counties to review types of errors made during eligibility determination and take appropriate actions to reduce errors and reverse trends of negative error rates which have resulted in corrective actions.

Each county will be issued a funding authorization for the ARRA funds. The DHHS Controller's Office will issue a letter with the DSS 1571 fiscal reporting procedures.

If you have questions regarding the ARRA administrative funds, please contact me at (919) 334-1234 or contact your Local Business Liaison.

Sincerely,

A handwritten signature in cursive script that reads "Dean Simpson".

Dean Simpson, Chief
Economic and Family Services

DS:dl

EFS-FNSEP-10-2009