



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

September 23, 2009

RE: ARRA Administrative Funding for Food and Nutrition Services

Dear County Director of Social Services:

The ARRA administrative funds have been released for the second allotment and the funding authorization has been posted on the DSS web site. Funds from the first allocation will not roll over into the second allocation period. Each county will start with a new allocation effective October 1, 2009. It is crucial that spending of the ARRA funds continue to be reported appropriately. Counties must meet the reporting requirements in order to retain the ARRA funds. The Division will continue to monitor how the funds are spent and provide feedback and support to county DSS agencies.

The second allocation of ARRA Administrative Funds will have a different DSS 1571 Part I and II coding from the first allotment. Counties must use the appropriate code for each funding year. The second allocation of funds will be available from October 1, 2009 to September 30, 2010.

The questions and answers below regarding spending of the funds are being sent again as a resource.

Question: What are the restrictions or parameters for expending the ARRA administrative funds?

Answer: Counties may spend the ARRA administrative funds on any Food and Nutrition allowable administrative cost. Please follow the rules for determining allowable administrative costs that are outlined in the DSS Fiscal Manual.

Question: What are the tracking requirements?

Answer: The ARRA administrative funds come from a separate appropriation. They must be tracked separately from the regular FNS program. Separate DSS-1571 reporting instructions have been issued by the Controller's Office and are available at <http://www.ncdhhs.gov/control/socserv/reccorr2.htm>.

Question: Can an agency use any part of the ARRA administrative funds to supplant current administrative costs?

Answer: ARRA administrative funds may be used to supplant administrative costs **BUT** you would lose the Federal match. Counties would have to use 100% ARRA funds.

Question: Can an agency use the ARRA administrative funds to purchase equipment?

Answer: An Agency may use the funds to purchase equipment as long as the equipment is assigned and used by staff reported on the DSS 1571 as 100% FNS. Any staff reported as supervisors or clerical staff may not have equipment direct charged for their use since their salary is cost allocated to all programs. These and other direct charge guidelines may be found in the DSS Fiscal Manual.

Question: Can an agency hire FNS staff using the ARRA administrative funds?

Answer: Any staff hired using the ARRA administrative funds **MUST** be coded 100% to FNS. Staff who do not complete time sheets will have to sign a certification statement indicating that they are 100% FNS. If an agency wants to hire permanent staff using the ARRA funds, the position(s) must be posted with the local Employment Security Commission Office a minimum of five days before making the hiring decision.

Question: When can an agency begin using the funds?

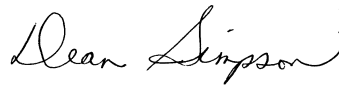
Answer: County agencies can use the funds for October 2009 FNS expenses billed in November 2009.

Question: Can any of the unspent 2009 ARRA funds roll forward to be used in FFY 2010?

Answer: No. The FFY 2009 ARRA funds must be spent by end of service month September 2009 to be paid in October 2009.

If you have questions please call me at (919) 334-1234 or contact your Local Business Liaison.

Sincerely,



Dean Simpson, Chief
Economic and Family Services

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EFS-FNSEP-26-2009