



North Carolina Department of Health and Human Services  
Office of the Controller

Pat McCrory  
Governor

Aldona Z. Wos, M.D.  
Ambassador (Ret.)  
Secretary DHHS  
  
Laketha M. Miller  
Controller

February 15, 2013

**TO:** County DSS Directors

**SUBJECT:** Review of Direct Charged Equipment in Conjunction with NCFAST Transition

Now that the transition of counties to NCFAST is near completion for FNS, the next step will be to transition all programs now housed within EIS (TANF, State/County Special Assistance, Refugee, and Medicaid) to NCFAST within the next year. This transition will necessitate the review of any previously **direct charged** equipment that has not attained its five year useful life to determine if the equipment will continue to be used solely for the purpose and funding source for which it was originally approved. If this funding source is no longer the only program benefitting from this equipment, Federal regulations require that the county reimburse a pro-rata share of the remaining useful life to the original funding source as a credit on the county's DSS 1571 reports. The county may then request to charge the remaining useful life to another Federal program through a direct charge request or to cost allocate the remaining amount through application code 383 ADP Equipment General Administration.

This review and reallocation is important in order to assure all equipment is properly charged and to avoid any future audit findings. If you have any questions regarding this matter, please contact your Business Liaison or County Administration Accounting Unit at (919) 527-6150.

Sincerely,

Laketha M. Miller

LMM/dh

cc: Sherry S. Bradsher  
Jack Rogers

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DSS Local Business Liaisons

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