

**FOSTER CARE AND ADOPTION CLUSTER:**

**93.658 FOSTER CARE – TITLE IV-E**

**93.659 ADOPTION ASSISTANCE**

**State Project/Program: FOSTER CARE AND ADOPTION PROGRAMS**

**U. S. Department of Health and Human Services**

**Federal Authorization:** Funding for CFDA#93.658 is: Social Security Act, as amended, Title IV-E, Section 470 et seq.; Adoption Assistance and Child Welfare Act of 1980, Sections 101 and 102, Public Law 96-272; Omnibus Budget Reconciliation Act of 1987, Public Law 100-203; Family Support Act of 1988, Public Law 100-485; Technical and Miscellaneous Revenue Act of 1988, Title VIII, Subtitle B, Section 8104, Public Law 100-647; 42 U.S.C. 670 et seq; Omnibus Budget Reconciliation Act of 1993, Public Law 103-66; Social Security Act Amendments of 1994, Public Law 103-432; and the Adoptions and Safe Families Act of 1997 (Public Law 105-89). See also 45 CFR 1355 – 1356; Child Support Performance and Incentive Act of 1998, Public Law 105-200.

**State Authorization:** N.C.G.S. 143B-153, Social Services Commission; N.C.G.S. 180A-49 Foster Care and Adoption Assistance; N.C.G.S. SL 2005-276 Sec. 10.46

**N. C. Department of Health and Human Services  
Division of Social Services**

**Agency Contact Person - Program:**

Charisse Johnson  
(919) 334-1133  
[Charisse.Johnson@dhhs.nc.gov](mailto:Charisse.Johnson@dhhs.nc.gov)

**Agency Contact Person - Financial**

Sarah Barham  
(919) 334-1022  
[Sarah.Barham@dhhs.nc.gov](mailto:Sarah.Barham@dhhs.nc.gov)

**N. C. DHHS Confirmation Reports:**

SFY 2010 audit confirmation reports for payments made to Counties, Area Programs, Boards of Education, Councils of Government, District Health Departments, DCD State Level Contractors and HRSA Bioterrorism Grant Subrecipients will be available by around late August to early September at the following web address: <http://www.dhhs.state.nc.us/control/> At this site, page down to “Letters/reports/forms for ALL Agencies” and click on “Audit Confirmation Reports (State Fiscal Year 2009-2010)”. Additionally, audit confirmation reports for Nongovernmental entities receiving financial assistance from the DHHS are found at the same website except select “Non-Governmental Audit Confirmation Reports (State Fiscal Years 2008-2010)”.

The auditor should not consider the Supplement to be “safe harbor” for identifying audit procedures to apply in a particular engagement, but the auditor should be prepared to justify departures from the suggested procedures. The auditor can consider the Supplement a “safe harbor” for identification of compliance requirements to be tested if the auditor performs

**reasonable procedures to ensure that the requirements in the Supplement are current. The grantor agency may elect to review audit working papers to determine that audit tests are adequate.**

## **I. PROGRAM OBJECTIVES**

The objectives of the Foster Care Program and Adoption Assistance Program authorized by Title IV-E of the Social Security Act, as amended, are to: (1) Provide Federal Financial Participation (FFP) on behalf of eligible children who require foster care services and are in the custody of the State agency administering the program; (2) Provide FFP in the cost of proper and efficient administrative and training costs; and (3) Provide FFP in the adoption subsidy costs for the adoption of children with special needs who meet certain eligibility tests. See FSCWS-55-08 at <http://www.dhhs.state.nc.us/dss/dcdl/famsupchildwelfare/fscw-55-2008.pdf> for information on current rates.

## **II. PROGRAM PROCEDURES**

The cognizant federal agency is the Administration for Children and Families, Department of Health and Human Services. Grants are made to States under a plan approved by the Secretary of Health and Human Services to provide (1) foster care maintenance assistance to children meeting IV-E eligibility requirements and who are placed in licensed family foster homes or residential child-care facilities and (2) adoption assistance to special needs children meeting IV-E eligibility requirements. County DSS are responsible for determining IV-E eligibility for children in order to receive reimbursement of foster care maintenance costs, as well as for conducting annual reassessments of adoption assistance in order for qualified adopting families to receive adoption assistance and for county DSS to be reimbursed for eligible expenditures.

For foster care maintenance reimbursement, county Departments of Social Services (DSS) enter data into the Child Placement and Payment system (CPPS) for each child for whom a claim is made for foster care reimbursement. Counties receive monthly preliminary and final payment reports (PQA-020) for Title IV-E foster care funds indicating the amount of Federal reimbursement to be paid based on the age of the child. The PQA-020 lists the facility name and ID, the child's name, the child's Services Information System number, the county case manager's name, the foster care claim amount, the county share of the payment, and the State/federal share of the Standard Board Rate.

Adoption Assistance payments begin for qualified special needs children after the final order of adoption. For Adoption Assistance reimbursement, County DSS enter data into the Child Placement and Payment System for each child for whom Adoption Assistance is planned. The State reimburses the counties for eligible expenditures, sends Adoption Assistance checks directly to eligible families, and provides policy and legal interpretation.

## **III. COMPLIANCE REQUIREMENTS**

### **Crosscutting Requirements**

**The compliance requirements in the Division of Social Services "Crosscutting Requirements" in Section D (Supplement #DSS-0) are applicable to this grant.**

**A. ACTIVITIES ALLOWED OR UNALLOWED**

IV-E funds are used to help pay for: (1) Foster care maintenance payments (up to the Standard Board Rate) including the cost of providing food, clothing, shelter, daily supervision, school supplies, a child's personal incidentals, liability insurance with respect to a child, and reasonable travel to the child's home for visitation. These costs are reported on the PQA-020. (2) Adoption assistance payments. These costs are reported on the PQA-044. (3) Training for foster care and adoption assistance; (4) Administration, including reimbursement of non-recurring adoption expenses and the costs of data collection systems and (5) Child Protective Services (CPS) In-Home Services to determine the appropriate intervention for children at risk of placement in foster care. The costs for (3) training, (4) administration and (5) worker activities for CPS In-Home Services are reported on the DSS 1571 County Administration Reimbursement Report.

IV-E funds may be claimed for amounts in excess of the standard board rate if the county has a written policy that addresses such payments. Excess payments may include additional funding for clothes, personal allowances, transportation to school of origin and board rate. The counties must provide the matching share for federal funding, as no State participation is available above the standard board rate. Counties must treat all children equally, regardless of funding source. Therefore, if the county has excess board payments, clothing allowances, etc. for IV-E children, they must use all county funds to pay at the same rate for non-IV-E children. The county policy should address these issues. (See IV-E Maximization Compliance Audit Supplement #93.658-2CL for information on counties drawing down additional funding over the standard board rate for approved facilities.)

**B. ALLOWABLE COSTS/COST PRINCIPLES**

All grantees that expend State funds (including federal funds passed through the N. C. Department of Health and Human Services) are required to comply with the cost principles described in the N. C. Administrative Code at 09 NCAC 03M .0201

**C. CASH MANAGEMENT**

This requirement has not been passed to the subrecipients; therefore, additional testing is not required. County is paid on a reimbursement basis.

**E. ELIGIBILITY**

Individuals receiving aid must meet the eligibility requirements defined in the approved state plan and specified in the Family Services Manual, Chapter XIII, Parts V and VI. The local agency should have a copy of this manual material, or it can be viewed by clicking on the word "Manuals" and clicking on the specific section referenced above at the following web site: <http://info.dhhs.state.nc.us/olm/manuals/manuals.aspx?dc=dss>. Individual case records must contain documentation of the eligibility determination process.

**F. EQUIPMENT AND REAL PROPERTY MANAGEMENT**

For Adoption Assistance cases, the following equipment may be purchased through vendor payments in accordance with State policies found in Family Services Manual, Chapter XIII Part VI: Orthopedic appliances, orthodontic appliances, eyeglasses, wheelchairs, hearing aids, computers, and other learning aids. These items must be determined by a therapeutic

provider as necessary due to the child's pre-adoptive condition and not be available through other funding sources. This equipment is purchased for the child and belongs to the child and family.

#### **G. MATCHING, LEVEL OF EFFORT, EARMARKING**

The Federal Medicaid Assistance Percentage (FMAP) for the year being audited determines the amount of reimbursement and match required. The FMAP changes each October 1<sup>st</sup>. A county must budget local funds in order to secure the required local matching share when federal/State financial participation is less than one hundred percent to the county department of social services. The FMAP can be obtained from the following web site: <http://aspe.os.dhhs.gov/health/fmap> (with the 2-digit year needed) followed by [.htm](#).

#### **H. PERIOD OF AVAILABILITY OF FEDERAL FUNDS**

This requirement has not been passed to the subrecipients; therefore, additional testing is not required.

#### **I. PROCUREMENT AND SUSPENSION AND DEBARMENT**

All grantees that expend federal funds (received either directly from a federal agency or passed through the N. C. Department of Health and Human Services) are required to conform with federal agency codifications of the grants management common rule accessible on the Internet at <http://www.whitehouse.gov/omb/>.

All grantees that expend State funds (including federal funds passed through the N. C. Department of Health and Human Services) are required to comply with the procurement standards described in the North Carolina General Statutes and the North Carolina Administrative Code, which are identified in the State of North Carolina Agency Purchasing Manual accessible on the Internet at [http://www.doa.state.nc.us/PandC/agpurman.htm#P6\\_65](http://www.doa.state.nc.us/PandC/agpurman.htm#P6_65).

Nongovernmental subrecipients shall maintain written Procurement policies that are followed in procuring the goods and services required to administer the program.

The listing of most debarred parties may be viewed at the following web site: <https://www.epls.gov/>. Regulations applicable to procurement can be found in the A – 102 Common Rule and OMB Circular A – 110.

#### **L. REPORTING**

See Cross-cutting requirements for the reporting requirements of these funds.

Adoption assistance payments are reported on the PQA044 Regular Run Check Register that shows all cases currently receiving monthly Adoption Assistance payments.

Foster Care Maintenance payments are reported on the PQA020.

In addition, the following reports are available, including the:

- 1) PQA059 – Warrant Calculation Worksheet that shows federal, State and county shares for all programs,

- 2) PQA046 – Summary of Assistance Expenditures and Average Payment Report that shows monthly federal, State and county shares for all programs (shown as Current on report). This report also shows yearly expenditures by program (shown as YTD on report),
- 3) PQA045 – Adjustment Register that shows any adjustments made for that month including cancelled checks, outstanding checks, refunds submitted on the DSS1656 forms, etc., and
- 4) PQA-022-1,2,3 – Verify eligible children placed in licensed residential childcare facilities and with private, child-placing agencies.

**M. SUBRECIPIENT MONITORING**

This requirement has not been passed to the subrecipients; therefore, additional testing is not required.