



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

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Ambassador (Ret.)
Secretary DHHS

Laketha M. Miller
Controller

April 24, 2013

TO: County DSS Directors
Child Support Enforcement Agency Directors

SUBJECT: Child Support Enforcement Contracted Workers

This is a follow-up to our letter dated March 28, 2013 referencing Child Support Enforcement contracted workers. That letter stated that the practice of reporting employees of independent contractors on the DSS-1571 was not allowable unless the county DSS could demonstrate that some level of direct supervision was provided to these contracted employees. An employee of an independent contractor has no contractual relationship with the county as the relationship exists only between the county and the independent contractor itself. Therefore, it is not allowable to draw overhead for employees of an independent contractor unless the county has direct supervisory responsibility.

Supervision is defined as overseeing, directing or managing workers. This includes, but is not limited to, hiring/firing, promoting/demoting, transferring or disciplining, approving timesheets, performing evaluations, reviewing and approving work on cases, work plans and workflow approvals. Unless the county DSS has a direct supervisory relationship with employees of an independent contractor as defined above and the contractual agreement did not specify otherwise, they may not claim these employees on the DSS 1571 Part I.

Based on discussions between State DSS and the Office of the Controller, a decision has been made that there will be no corrective action needed by counties for periods prior to our notification via the March 28, 2013 letter. Beginning with March 2013 services paid in April 2013, counties may no longer claim these employees unless a clearly delineated direct supervisory relationship exists. If you have any questions regarding the above information, please contact your Business Liaison or County Administration Accounting Unit at (919) 527-6150.

Sincerely,

Laketha M. Miller
Laketha M. Miller

Sherry S. Bradsher ^{Lmm}
Sherry S. Bradsher, Director
Division of Social Services

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