



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

Beverly Eaves Perdue, Governor
Lanier M. Cansler, Secretary

MAILING ADDRESS:
2019 Mail Service Center
Raleigh, NC 27699-2019

Laketha M. Miller, Controller
(919) 733-0169

LOCATION:
616 Oberlin Road
Raleigh, NC

February 23, 2011

Dear County Director of Social Services
Dear County Finance Officer

It has come to our attention that clarification is needed around claiming costs through the county Indirect Cost Plan. Federal regulations state that any cost that is non-reimbursable under normal programmatic guidelines may not be claimed through the Indirect Cost Plan. Only allowable costs may be included for reimbursement.

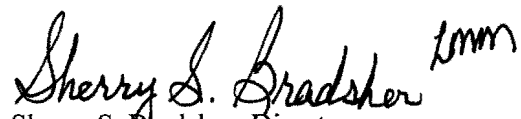
A question has arisen regarding claiming of the Northwoods Document Management System through the county Indirect Cost Plan with the idea that the system may be used by DSS as well as other agencies within the county. Since county DSS agencies may not claim FFP for components of the system that include functionality that is within the scope of NCFAST, these same components may not be allocated to DSS and claimed through the county Indirect Cost Plan. If FFP is received by one or more counties for what could be considered a case management system due to overlapping functionality, it could endanger the receipt of FFP for the development of NCFAST.

Counties purchasing the system and wishing to allocate to DSS and claim reimbursement through their Indirect Cost Plan may only include allowable components as approved by the Performance Management Section of State DSS. All other costs must be paid for with county dollars.

If there are any questions related to this matter, please contact Debbie Hawkins with the DHHS Office of the Controller at debbie.hawkins@dhhs.nc.gov or your Local Business Liaison.

Sincerely,


Laketha M. Miller


Sherry S. Bradsher, Director
Division of Social Services

LMM/dh

cc: Kathy Sommese
Hank Bowers

Curtis Crouch
Jack W. Chappell

Debbie Hawkins
Myra K. Dixon

DSS LBLs