

93.667

**SOCIAL SERVICES BLOCK GRANT**

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<b>State Project/Program:</b>	<b>SOCIAL SERVICES BLOCK GRANT TANF TRANSFERRED TO SOCIAL SERVICES BLOCK GRANT</b>
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**U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES  
ADMINISTRATION FOR CHILDREN AND FAMILIES**

**Federal Authorization:** Social Security Act, Title XX, as amended; Omnibus Budget Reconciliation Act of 1981, as amended, Public Law 97-35; Jobs Training Bill, Public Law 98-8; Public Law 98-473; Medicaid and Medicare Patient and Program Act of 1987; Omnibus Budget Reconciliation Act of 1987, Public Law 100-203; Family Support Act of 1988, Public Law 100-485; Omnibus Budget Reconciliation Act of 1993, Public Law 103-66; 42 U.S.C. 1397 et seq.

**State Authorization:** NCGS 143B-153; 10A NCAC 71R; North Carolina SSBG Annual Services Plan

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

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**Address Confirmation Letters To:**

SFY 2022 audit confirmation reports for payments made to Counties, Local Management Entities (LMEs), Managed Care Organizations (MCOs), Boards of Education, Councils of Government, District Health Departments and DHHS Grant Subrecipients will be available by mid-October at the following web address: <https://www.ncdhhs.gov/about/administrative-offices/office-controller/audit-confirmation-reports> At this site, click on the link entitled “Audit Confirmation Reports (State Fiscal Year 2021-2022)”. Additionally, audit confirmation reports for Nongovernmental entities receiving financial assistance from DHHS are found at the same website except select “Non-Governmental Audit Confirmation Reports (State Fiscal Years 2020-2022)”

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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.

Auditors may request documentation of monitoring visits by the State Agencies.

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This compliance supplement must be used in conjunction with the OMB 2022 Compliance Supplement which will be issued in the summer. This includes "Part 3 - Compliance Requirements," for the types that apply, "Part 6 - Internal Control," and "Part 4 - Agency Program" requirements if the Agency issued guidance for a specific program. The OMB Compliance Supplement is Section A of the State Compliance Supplement.

### **I. PROGRAM OBJECTIVES**

The purpose of the Social Services Block Grant (SSBG) program is to provide funds to States (including the District of Columbia and five Territories) to provide services for individuals, families, and entire population groups in one or more of the following areas: (1) achieving or maintaining economic self-support and self-sufficiency to prevent, reduce, or eliminate dependency; (2) preventing or remedying neglect, abuse, or exploitation of children and adults unable to protect their own interests; (3) preserving, rehabilitating, or reuniting families; (4) preventing or reducing inappropriate institutional care by providing for community-based care, home-based care, or other forms of intensive care; and (5) securing referral or admission for institutional care when other forms of care are not appropriate, or providing services to individuals in institutions.

In addition to SSBG funding allocated to the State, a State may transfer up to 10 percent of the combined total of the State family assistance grant, supplemental grant for population increases, and bonus funds for high performance and illegitimacy reduction, if any, all part of federal Temporary Assistance for Needy Families (TANF) block grant funding, for a given fiscal year, to carry out programs under the SSBG. Such amounts may be used only for programs or services to children or their families whose income is less than 200 percent of the poverty level. The amount of the transfers is reflected on the quarterly ACF-196R, TANF Financial Report. The amounts transferred into this program are subject to the requirements of this program when expended and should be included in the audit universe and total expenditures of this program when determining Type A programs. On the Schedule of Expenditures of Federal Awards, the amounts transferred in should be shown as expenditures of this program when such amounts are expended.

The use of TANF funds transferred to SSBG for child welfare services helps to maximize funding flexibility of county Departments of Social Services as they meet the needs of the children of the State. These funds are referred to as TANF-Transferred-To-SSBG. North Carolina has elected to use these funds exclusively for specific child welfare services. Program objectives are the same as those for SSBG, namely to enable states to provide services directed toward the goals of: (1) economic self-support; (2) personal self-sufficiency; (3) preventing or remedying neglect, abuse or exploitation of children and vulnerable adults and supporting or strengthening families; (4) preventing or reducing inappropriate institutional care; and (5) securing appropriate Services Administration.

Each year, the N.C. General Assembly determines the allocation of SSBG (and TANF-Transferred-to SSBG) funds to county Departments of Social Services, divisions within the Department of Health and Human Services and other agencies. County Departments of Social Services receive funding for the provision of mandated and optional services through the Divisions of Social Services and Aging and Adult Services. Additional allocations for specific services may also be made.

One of the primary uses of the SSBG in more recent years has been to support Adult Protective Services in North Carolina. The goal of the Adult Protective Services Program is to protect disabled adults who have been abused, neglected or exploited. County departments of social services receive and evaluate reports to determine whether disabled adults are in need of

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protective services and what services are needed to prevent further mistreatment. Evidence of mistreatment is reported to the District Attorney and regulatory agencies, and court action is initiated as necessary to protect disabled adults. Essential services are mobilized to include planning with and supporting the disabled adult and the family or caregiver to identify, remedy and prevent problems that result in abuse, neglect or exploitation.

## **II. PROGRAM PROCEDURES**

The cognizant federal agency is the Administration for Children and Families, U. S. Department of Health and Human Services. These funds are allocated to the state at the rate of 100 percent; however, unless exempted for specific allocations, N. C. General Statutes require that agencies match these funds at the rate of 25 percent.

Allocations are made to county departments of social services annually under a formula prescribed in 10A NCAC 71R of the North Carolina Administrative Code. County departments of social services report funds expended on the DSS-1571 Reimbursement Report. County departments of social services can use SSBG funds for services described in the North Carolina SSBG Annual Services Plan. A copy of the past and the most recent NC SSBG Annual Services Plan can be found on the DSS Publications website: <https://www.ncdhhs.gov/divisions/social-services/publications>.

In addition to the county departments of social services and the Divisions of Social Services and Aging and Adult Services, other agencies may receive and use SSBG funds. Within N. C. DHHS these agencies may include: Division of Mental Health/Developmental Disabilities/Substance Services; Division of Services for the Blind; Division of Health Service Regulation; Division of Child Development and Early Education; Division of Vocational Rehabilitation; Division of Public Health; and Office of the Secretary. The N. C. Department of Administration also receives SSBG funds.

Federal TANF funds are transferred to the Social Services Block Grant to provide child welfare services. The overall program procedures are the same as those for SSBG.

For county departments of social services, the scope of allowable service activity for each service is specified in the following manuals: Division of Aging and Adult Services' (DAAS) Requirements for the Provision of Services by County Departments of Social Services, Protective Services for Adults, Guardianship Services Manual and Consumer Contributions Policy and Procedures Manual; the Division of Social Services' (DSS) Child Welfare Manual, Child Welfare Funding and the Services Information System (SIS) Manual, all of which may be found on the DSS Manuals website. Additionally, as changes occur in the programs, the North Carolina Department of Health and Human Services, Division of Social Services and Division of Aging and Adult Services notify county departments through the issuance of DSS and DAAS Administrative Letters, Dear County Director Letters and/or manual Change Notices. These Administrative Letters, Dear County Director Letters and manual Change Notices should be used in conjunction with the DAAS and DSS Manuals for the determination of program requirements. DAAS and DSS manuals are available at <https://policies.ncdhhs.gov/>. Click on links to access each Division's manuals. Administrative Letters and Change Notices associated with each manual can be accessed by clicking hyper-linked dates listed to the right of each manual or via the specified links in the manual listings. Dear County Director letters are available at the following website: Dear County Director Letters. The DAAS and DSS Manuals, Administrative Letters, Dear County Director Letters

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and manual Change Notices may also be available from the services supervisors in each county department of social services.

The county departments of social services may contract with other public agencies or private nonprofit or for-profit agencies for provision of services under conditions described at Budget Information. Adult Placement Services and Foster Care Services for Adults cannot be purchased and must be provided only by the county departments of social services. Protective Services for Adults and Protective Services for Children, which are the legally mandated responsibility of county departments of social services, cannot be purchased.

County departments of social services are responsible for determination and redetermination of eligibility and for the case management of services funded by the Social Services Block Grant. Responsibilities include receiving applications for services, obtaining information about clients, determining eligibility, re-determining eligibility, maintaining documentation and other responsibilities required by State and Federal regulations related to client eligibility and case management. The county departments of social services may contract with other public agencies or private nonprofit agencies which are not providers of these services to perform the eligibility determination, re-determination and case management functions.

The N. C. Division of Social Services and the Division of Aging and Adult Services, as well as other DHHS agencies receiving and using SSBG funds, prepare a monitoring plan for monitoring subrecipient compliance with Federal and State awards. Subrecipient monitoring is conducted in accordance with the requirements of 2 CFR part 200, subpart F and the DHHS Policy and Procedure Manual for Monitoring of Programs. A copy of the NC Division of Social Services' Plan can be located at <https://www.ncdhhs.gov/divisions/dss>.

### **III. COMPLIANCE REQUIREMENTS**

Noted below in the following matrix are the types of compliance requirements that are applicable to the federal program. These Types are determined by the federal agency, noted as "Y," on the "Matrix of Compliance Requirements" located in Part 2 of the OMB 2022 Compliance Supplement; however, the State Agency may have added the Type and this is noted by "Y." If the State determines that the federal requirement does not apply at the local level or if the State modifies the federal requirements, this is noted in the supplement under the type of compliance requirement. If the federal and/or State agencies have determined that the type is not applicable, it is noted by "N."

If the Matrix indicates "Y," the auditor must determine if a particular type of compliance requirement has a direct and material effect on the federal program for the auditee. For each such compliance requirement subject to the audit, the auditor must use the OMB 2022 Compliance Supplement, Part 3 (which includes generic details about each compliance requirement other than Special Tests and Provisions) and Part 4 (which includes any program-specific requirements) to perform the audit.

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CC	A	B	C	E	F	G	H	I	J	L	M	N
Cross Cutting Requirements	Activities Allowed or Unallowed	Allowable Costs/Cost Principles	Cash Management	Eligibility	Equipment/ Real Property Management	Matching, Level of Effort, Earmarking	Period Of Performance	Procurement Suspension &	Program Income	Reporting	Subrecipient Monitoring	Special Tests and Provisions
Y	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	Y

### Crosscutting Requirements

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

#### A. ACTIVITIES ALLOWED OR UNALLOWED

Program funds may be used for services only to individuals who are eligible under the provisions of the NC SSBG Annual Services Plan. The eligibility of clients receiving services from county allocations of SSBG funds must be determined by the county department of social services in accordance with requirements set forth in the Division of Aging and Adult Services’ Requirements for the Provision of Services by County Departments of Social Services, which can be found on the Division of Aging and Adult Services manual website. Eligibility for certain services is without regard to the applicant’s income as specified in 10A NCAC 71R and the NC SSBG Annual Services Plan.

County departments of social services may use Social Services Block Grant Funds for the services listed below. Thirteen are mandated services listed in the State’s SSBG Plan. These mandated services shall be made available in each county to persons in need of the service who meet the eligibility criteria. There is no established level at which the services must be made available. Optional services, also shown as listed in the State’s SSBG plan, may be provided at county discretion. **Mandated Services**

1. Adjustment Services for the Blind and Visually Impaired
2. Adoption Services
3. Adult Placement Services
4. Child Day Care Services
5. Family Planning Services
6. Foster Care Services for Adults
7. Foster Care Services for Children
8. Health Support Services
9. Individual and Family Adjustment Services
10. In-Home Aide Services
11. In-Home Aide Services for the Blind
12. Protective Services for Adults
13. Protective Services for Children
14. Guardianship Services

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### **Optional Services**

The remaining services are considered optional and are offered based on individual county need and available resources. These services are listed below:

- Community Living Services
- Day Care Services for Adult
- Day/Night Services for Children and Adults Needing Mental Health, Developmental Disability and/or Substance Abuse Services
- Delinquency Prevention Services
- Employment and Training Support Services
- Family Preservation Services
- Family Support Services
- Home Care Services includes Skilled Nursing, Physical Therapy, Speech Therapy, Occupational Therapy, Medical Social Services, and/or Nutrition Care
- Housing and Home Improvement Services
- Intensive Family Preservation Services
- Periodic Services for Children and Adults Needing Mental Health, Developmental Disability and/or Substance Abuse Services
- Personal and Family Counseling
- Preparation and Delivery of Meals
- Problem Pregnancy Services
- Residential Treatment for the Emotionally Disturbed
- Respite Care Services
- Transportation Services
- 24-Hour Services for Children and Adults Needing Mental Health, Developmental Disability and/or Substance Abuse Services
- Youth Services

Funds may be used by the county departments of social services for the provision of services, for administrative support of the services program, and for training of local staff engaged in program operations. Refer to DSS-0 Crosscutting requirements, item L. 12. Reporting, regarding charging of costs. The SIS Program Code designated for SSBG is "X".

**TANF-Transferred-to-SSBG** takes on the characteristics of SSBG in general. The following eligibility requirements apply to the program:

- Family income (or of the child if he is in foster care) cannot exceed 200% of the Federal Poverty Level for that size family (in the case of a child who is in foster care, the child is considered a family of one).
- If the family is intact (that is, the child is not in foster care), a child must be in the home. If a child is in foster care, the services are being provided on behalf of the child and any services that are provided to his family are also considered on his behalf.
- The agency has established that the service is needed.

Please consult the Services Information System (SIS) Manual, Appendix B for a listing of the allowable services funded with TANF-Transferred-to-SSBG. The manual is available at the following website:

### **Services Information System (SIS) Manual**

The SIS Program Code designated for TANF-Transferred-to-SSBG is "V".

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### **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.

Only certain child welfare services are allowed under the TANF-Transferred-to-SSBG program. The primary services are those associated with adoption services and child foster care services, provided the eligibility requirements are met, and include foster parent recruiting, training and licensing and adoptive parent recruiting and training. TANF-Transferred-to-SSBG cannot be used for Child Protective Services or for foster care board payments.

County DSS workers must document adherence to the eligibility requirements in the child's case record. Need of the service is determined together by the social worker and the client. All eligibility criteria for TANF-Transferred to SSBG, including the table giving Federal Poverty Levels, may be found at

<https://www.medicaidplanningassistance.org/federal-poverty-guidelines/>

County DSS agencies submit monthly cost for reimbursement using form DSS-1571, Parts I, II and/or IV.

### **C. Cash Management**

Subrecipients receive funding under this program on a reimbursement rather than an advance basis. Therefore, no audit testing is necessary with respect to the federal cash management requirements of 2 CFR, Part 200

### **E. ELIGIBILITY**

Program funds may be used for services only to individuals who are eligible under the provisions of the NC SSBG Annual Services Plan. The eligibility of clients receiving services from county allocations of SSBG funds must be determined by the county department of social services in accordance with requirements set forth in the Division of Aging and Adult Services' Requirements for the Provision of Services by County Departments of Social Services. Eligibility for certain services is without regard to the applicant's income as specified in 10A NCAC 71R.

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

The following matching rates apply to federal financial participation (FFP) for services funded by the Social Services Block Grant. County departments of social services must provide the non-federal share of the cost of these services.

- (1) 75% FFP for any services listed in section III.A above, with the following exceptions.
- (2) 87.5% FFP for Adult Day Care, In-Home Aide Services, Housing and Home Improvement, and Preparation and Delivery of Meals.
- (3) 90% for Family Planning Services and the family planning component of Health Support Services for DSS only.
- (4) FFP rate for SSBG funds allocated for Child Day Care can be found in the compliance supplement entitled Subsidized Child Care Program issued by the Division of Child Development and Early Education.

Matching, Level of Effort or Earmarking requirements are not passed down to the local county government level for items 3 and 4 above and thus no additional tests are required.

### **H. PERIOD OF PERFORMANCE**

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Federal funds are available for expenditure by county departments of social services during the State Fiscal Year for which the funds are allocated to the county DSS agencies.

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

#### Procurement

Services funded by the Social Services Block Grant may be provided directly by the county departments of social services or may be purchased from public or private providers by contracting in accordance with federal, State and/or local regulations governing such purchases. Limitations on purchase of services and other applicable requirements are specified in the information and forms available at Budget Information which can be obtained at the county department of social services. Those functions of Protective Services for Adults and Protective Services for Children which are the legally mandated responsibility of county departments of social services cannot be purchased.

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 <https://ncadmin.nc.gov/about-doa/divisions/purchase-contract>.

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

#### Suspension and Debarment

**Compliance Requirement – As noted under 2 CFR Part 200, Appendix XI,** Non-Federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred. “Covered transactions” include contracts for goods and services awarded under a non-procurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other criteria as specified in 2 CFR section 180.220.

The listing of most debarred and suspended parties can be viewed at the following web site: <https://www.sam.gov/SAM/>. Provisions of 2 CFR, Part 200 should be consulted to determine if procurements have been made in compliance with these rules.

### **J. PROGRAM INCOME**

Clients may, by choice, share in the cost of specific services provided by county departments of social services funded by the Social Services Block Grant. These services are: Adult Day Care, Housing and Home Improvement, In-Home Aide Services, Personal and Family Counseling, and Preparation and Delivery of Meals. County departments of social services administer consumer contributions according to policies and procedures found in the Division of Aging and Adult Services’ Consumer Contributions Policy and Procedures Manual. This manual may also be obtained at the county department of social services. The NC Administrative Code reference is 10A NCAC 71S. Consumer contribution revenue is to be retained by the county department or contract provider and is to be used to extend the availability of services subject to consumer contributions. “Extend the availability of services” means that collected consumer contribution revenue is used concurrently with the county department of social services’ annual SSBG



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allocation so that clients who would otherwise not be served due to finite SSBG fund availability can be served as a result of revenue contributed through consumer contributions. Gross service expenditures are to be reported by the county department or contract provider along with the amount of the consumer contribution revenue collected. Consumer contribution revenue is deducted from the gross expenditures reported in order to arrive at the net amount to be reimbursed.

### **L. REPORTING**

Reporting requirements are not passed down to the local county government level and thus no additional tests are required.

### **M. SUBRECIPIENT MONITORING**

The NC Division of Social Services and the Division of Aging and Adult Services, as well as other DHHS agencies receiving and using SSBG funds, prepare a monitoring plan for monitoring subrecipient compliance with Federal and State awards. A copy of the N. C. Division of Social Services' Local County Social Service Agencies Monitoring Plan can be found at: NC Local County Social Service Agencies Monitoring Plan. A copy of the N. C. Division of Aging and Adult Services' monitoring plan can be obtained from the Planning and Systems Support Section of the N. C. Division of Aging and Adult Services, 639 Palmer Drive, 2101 MSC, Raleigh, NC 27699-2101, telephone (919) 855-3435.

### **N. SPECIAL TESTS AND PROVISIONS**

#### **Compliance Requirement:**

Services funds are provided to county DSS through authorization from DSS and/or DAAS. Local DSS' report reimbursement to the Department of Health and Human Services' Controller's Office through the North Carolina County Reimbursement Ledger Suite (NC-CoReLS) and the County Administration Reimbursement System (CARS). The North Carolina State Auditor monitors the distribution and reimbursement of these funds. The State and county agencies must maintain adequate documentation, verification, and internal control procedures to ensure the accuracy of the data.

#### **Audit objective:**

The agencies must maintain adequate documentation, verification, and internal control procedures to ensure the accuracy of the data. Determine if correct information was entered on the DSS-4263 Worker Daily Report of Services to Clients (day sheets), in individual case narratives and on the DSS-5027 Client Entry Form.

#### **Suggested Audit Procedures:**

1. Obtain sample list(s) of clients served using SSBG or TANF-to-SSBG funds for the period under review.
2. Look at DSS-5027 Form in the client case file to verify the required information is recorded on the form. Verify appropriate services are entered in Section B along with the SIS Service Code, Date Requested and if applicable, Date Terminated. Refer to the Services Information System (SIS) Manual to determine what sections of the form should be completed.
3. Review DSS-4263 Worker Daily Report of Services to Clients (day sheet) entries to verify that dates of service delivery are within the service begin (Date Requested) and end (Service Terminated) dates listed for the specific service code on the DSS-5027 form. Note that not all Service Codes are used on both forms and not all Service Codes require a Client ID on the DSS-4263. Refer to the

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Services Information System (SIS) Manual, Appendix B for Service Code usage requirements.

4. Verify that entries on the DSS-4263 correspond to narrative in the client case file. Note that for some services, recorded as a block of time without Client IDs on the DSS-4263, supporting documentation regarding clients served may include notes in the Comments section of the DSS-4263, calendar notations, entries in client case narratives, worker logs, etc.