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 State Maternity Home Fund provides payment for up to 120 days of residential care and services. The care and related medical services are for adolescents and women who are NC residents and who are experiencing a problem pregnancy, regardless of age or marital status, and who are unable to remain in their own home during pre-natal periods, and whose financial
resources have been determined by a social worker to be inadequate to meet the residential costs or costs of an approved living arrangement.

II. PROGRAM PROCEDURES

Funding authorization is GENERAL ASSEMBLY OF NORTH CAROLINA SESSION LAW 2005-276 and the TANF State Plan. The State Maternity Home Fund is comprised of federal TANF funds. The Division’s TANF State Plan is approved by the federal DHHS and authorizes the use of TANF funds for this purpose.

A State Maternity Home Fund application for an individual needing out-of-home care during pregnancy must be submitted by a county department of social services or a licensed private adoption agency to the Division of Social Services for review and approval. When an application is approved, the Division notifies the local agency submitting the application and the licensed maternity home that payment for care is authorized. The Division of Social Services pays a per diem amount to licensed maternity homes based on bed capacity and the allowable audited expenditures as determined by the DHHS Controllers Office. Payment for care in foster family homes is the same rate paid for children in foster care by the agency requesting State Maternity Home Funds for the client. Payment of residential costs in an approved boarding arrangement will not exceed the rate paid for children in foster care by the agency requesting State Maternity Home Funds for the client.

The Division of Social Services processes applications for State Maternity Home Funds based on the date application is received. Funds are allocated on behalf of eligible individuals until funds are exhausted each fiscal year.

III. COMPLIANCE REQUIREMENTS

Crosscutting Requirements

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

A. ACTIVITIES ALLOWED OR UNALLOWED

TANF short-term assistance funds may be used to assist with residential costs for up to 120 days, including up to two weeks following birth of the baby, as needed by a pregnant individual in a living arrangement approved by the Division of Social Services for State Maternity Home Fund reimbursement.

The State Maternity Home Fund cannot be used for hospitalization and delivery services or other medical services received outside the auspices of a licensed maternity home. Medical services provided as part of the regimen of services by a licensed maternity home are included in the cost of care.

Living arrangements for which State Maternity Home Funds may be used include: (a) a maternity home licensed by or meeting the maternity home standards of the licensing authority in the state in which the facility is located; (b) a foster family home for children, licensed in North Carolina; (c) the home of a non-legally responsible relative in North Carolina; or (d) for individuals age 18 and over, a boarding arrangement in North Carolina.
B. ALLOWABLE COSTS/COST PRINCIPLES

Maternity Home fund payment is to supplement any other funds available from County Departments of Social Services, other governmental agencies, families or private agencies.

Maternity Home Fund reimbursement for residential costs for clients approved by the Division of Social Services is based on the type of facility or living arrangement in which the placement is made.

(1) Payment to licensed maternity homes is based on the actual per diem cost of care; as established by the DHHS Controller’s Office.

(2) Payment for care in a foster family home will be the same rate paid for children in foster care by the agency requesting Maternity Home Funds for the client.

(3) Payment of residential costs in the home of a non-legally responsible relative or in a boarding arrangement will not exceed the rate paid for children in foster care by the agency requesting Maternity Home Funds for the client. Boarding home arrangements must be jointly approved by the agency requesting funds and the Division of Social Services.

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.

E. ELIGIBILITY

Applicants must apply for the State Maternity Home Fund through a local Department of Social Services or a licensed North Carolina adoption agency in accordance with procedures set forth in the Division of Social Services’ Family Support and Child Welfare Services Manual, Chapter XII, Pregnancy Services. Additionally, as changes occur in the program, the North Carolina Department of Health and Human Services, Division of Social Services notifies County DSS Agencies by administrative letters or manual change notices. These administrative letters or manual change notices should be used in conjunction with the Family Support and Child Welfare Manual for the determination of program requirements. The manual and the DSS administrative letters or manual change notices are available from the services supervisor in each county department of social services.

Regardless of age or marital status, approved applicants must be NC residents who are unable to remain in their own homes during the pre-natal period; who are experiencing problem pregnancies; and who have inadequate financial resources to meet the residential costs in an approved living arrangement. For those applications using TANF funds, the applicant and/or her family must have income at or below 200% of poverty as found in the Work First Manual, Sections 104 and 107. The Division of Social Services must approve
applications and authorize payments. [Problem Pregnancy Services (10A NCAC 71K); and Maternity Home Fund (10A NCAC 71L)]

G. MATCHING, LEVEL OF EFFORT, EARMARKING

No matching funds are required.

Level of effort and earmarking do not apply.

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

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

L. REPORTING

Claims for reimbursement must be submitted monthly by the maternity home or other approved living arrangement to the State Maternity Fund Coordinator for review and approval. Claims are then forwarded to the Controller’s Office of the NC Department of Health and Human Services for payment processing.