
State Authorization: N/A

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

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N. C. DHHS Confirmation Reports:
SFY 2017 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 DHSR Grant Subrecipients will be available by mid-October at the following web address: http://www.ncdhhs.gov/control/auditconfirms.htm. At this site, click on the link entitled “Audit Confirmation Reports (State Fiscal Year 2016-17). 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 2014-2017).

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.
ADOPTION ASSISTANCE PROGRAM IV-B

I. PROGRAM OBJECTIVES

The objective of the Adoption Assistance Program IV-B is to provide adoption assistance to certain children with special needs, following entry of a final adoption decree. In addition, this program is intended to establish, extend, and strengthen child welfare services provided by state and local public welfare agencies. It also funds services that enable children to remain in their homes, or if possible, to provide alternate permanent homes for them.

II. PROGRAM PROCEDURES

The cognizant federal agency is the Administration for Children and Families, U. S. Department of Health and Human Services. The State Division of Social Services, which administers the services program under Title IV of the Social Security Act, is the designated single State agency to administer child welfare services. The Division prepares the annual CFS-101 report to estimate need; however, states are awarded funds based on availability. These funds require a 25% state or county match and can be cash or in-kind. Due to limited federal IV-B I funds the State supports this program at the rate of 75%. However, when federal IV-B I funds are available they may be used to support this program at the rate of 75%. The county is required to provide the 25% match for either funding source.

IV-B Adoption Assistance cash benefits are provided to adoptive families on behalf of eligible children who have special needs but who do not meet eligibility requirements for Title IV-E. Payments are made through the Child Placement and Payment System (CPPS) and must be no greater than the foster care board rates. In addition, vendor payments for medical and non-medical specialized services may be provided up to $2,400 per year (change in policy effective October 2010).

The approved State IV-B plan, which may be found at the North Carolina Division of Social Services, Children’s Services Section, reflects all allowable uses of IV-B I funds including Adoption Assistance.

Audits are conducted in accordance with the requirements in 2 CFR, Part 200.

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

Individuals receiving aid must meet the eligibility requirements defined in the approved state plan and specified in Family Services Manual, Volume I, Chapter XIII, Section 1600. A copy of this reference material should be available in the agency, or at the following web site:

http://info.dhhs.state.nc.us/olm/manuals/dss/csm-78/man/Section%201600.htm#P18_264.

There are no income eligibility requirements. In general, these children must have been determined to be ineligible to receive a monthly Cash Payment from Title IV-E adoption assistance funds and must be or have been in the custody of a North Carolina child welfare agency. The agency must demonstrate that a reasonable, but unsuccessful effort was made to place the child with suitable adoptive parents without providing adoption or medical assistance,
unless such efforts would not be in the best interest of the child. Documentation on the eligibility determination process and results should be available on a per-case basis within the agency.

**B. ALLOWABLE COSTS/COST PRINCIPLES**

Certain equipment such as orthopedic appliances, orthodontic appliances, eyeglasses, wheelchairs, hearing aids, computers, and other learning aids may be purchased through vendor agreements. The item(s) must be determined by a therapeutic provider to be necessary due to the child’s pre-adoptive condition, and determined to not be available through other funding sources. This equipment is purchased for the child and belongs thereafter to the child and family. Reporting claims for reimbursement of vendor payments is on the form DSS-5095 (crosscutting requirements) and documentation should appear in individual case records.

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**

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**

Children receiving benefits must meet the eligibility requirements defined in the approved state plan and specified in Family Services Manual, Volume I, Chapter XIII, Section 1600. A copy of this reference material should be available in the agency, or at the following web site: [http://info.dhhs.state.nc.us/olm/manuals](http://info.dhhs.state.nc.us/olm/manuals). There are no income eligibility requirements. In general, these children must have been determined to be ineligible to receive a monthly Cash Payment from Title IV-E adoption assistance funds, nor to have been the placement responsibility of a North Carolina licensed private adoption agency. The agency must demonstrate that a reasonable, but unsuccessful effort was made to place the child with suitable adoptive parents without providing adoption or medical assistance, unless such efforts would not be in the best interest of the child. Documentation on the eligibility determination process and results should be available on a per-case basis within the agency.

**F. EQUIPMENT AND REAL PROPERTY MANAGEMENT**

Certain equipment such as orthopedic appliances, orthodontic appliances, eyeglasses, wheelchairs, hearing aids, computers, and other learning aids may be purchased through vendor payments. The item(s) must be determined by a therapeutic provider to be necessary due to the child's pre-adoptive condition, and determined to not be available through other funding resources. This equipment is purchased for the child and belongs thereafter to the child and family. Reporting claims for reimbursement of vendor payments is on the form DSS-5095 (crosscutting requirements) and documentation should appear in individual case records.
G. MATCHING, LEVEL OF EFFORT, EARMARKING

This program is funded at the rate of 75% state funds and 25% county funds. A county must budget local funds in order to secure the required local matching share when federal/state participation is less than one hundred percent to the county department of social services.

H. PERIOD OF PERFORMANCE

Federal funds are available for expenditure by counties during the State fiscal year (July 1 to June 30) for which they are disbursed to counties.

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/grants_attach#main-content.

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.pandc.nc.gov/documents/Procurement_Manual_5_8_2013_interactive.pdf.

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

The list of debarred parties may be viewed at the following internet website: https://www.epls.gov. The procurement requirement has not been passed to the local level; therefore, no testing is required by the local auditor.

L. REPORTING

This program is required to report Title IV-B I funds on form SF-425 on an annual basis.