

STATE FOSTER CARE BENEFITS PROGRAM

State Authorization: North Carolina General Statute (N.C.G.S.) 108A-48

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

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N. C. DHHS Confirmation Reports:

SFY 2006 audit confirmation reports for payments made to Counties, Area Programs, Boards of Education, Councils of Government, District Health Departments, DCD State Level Contractors and HRSA Bioterrorism Grant Subrecipients will be available by around late August to early September at the following web address: <http://www.dhhs.state.nc.us/control/> At this site, page down to “Letters/reports/forms for ALL Agencies” and click on “Audit Confirmation Reports (State Fiscal Year 2005-2006)”. Additionally, audit confirmation reports for Nongovernmental entities receiving financial assistance from the DHHS are found at the same website except select “Non-Governmental Audit Confirmation Reports (State Fiscal Years 2003-2005)”.

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 objective of the State Foster Care Benefits program is to provide assistance to eligible children who are placed in foster care facilities by county Departments of Social Services.

II. PROGRAM PROCEDURES

The North Carolina General Assembly appropriates funds to the Department of Health and Human Services (DHHS) for the State Foster Care Benefits Program. These funds are made available to reimburse county Departments of Social Services for 50% of the costs they incur in providing foster care assistance payments for eligible children. Eligibility for this program is established when the child is in agency custody, in a foster care living arrangement, is ineligible for IV-E or when TEA foster care funding is not appropriate. The state reimbursement for each child is limited to fifty percent of the State standard board rate established for the foster care assistance payment. The county Departments of Social Services receive reimbursement on a monthly basis based on data entered into the Child Placement and Payment System.

III. COMPLIANCE REQUIREMENTS

Cross Cutting Requirements

The DHHS/Division of Social Services (DSS) mandates that all the testing included within the crosscutting section be performed by the local auditors. Please refer to the "Supplement #DSS-0" for those mandated requirements.

1. Activities Allowed or Unallowed

Please refer to the Division of Social Services Family Services Manual, Children's Services, Volume I, Chapter IV, Sections 1203 and 1205. The agency should have a copy of this material, or it may be viewed at the following website:

<http://info.dhhs.state.nc.us/olm/manuals>.

Compliance Requirements

Program funds are to be used to pay for Foster Care Assistance, which includes:

- Foster care board payment which is the amount paid to licensed foster care facilities for food and shelter for foster children placed in the facility.
- Personal needs allowance which is the amount paid for clothing, personal incidentals, usual school expenses and usual transportation.

No benefits may be provided to any individual who has passed his eighteenth birthday unless s/he is less than 21 years of age and is a full-time student for the next school term pursuing a high school diploma or its equivalent; and course of study at the college level; or a course of vocational or technical training designed to fit him/her for gainful employment. This information is available in the individual's case record.

There is no state participation above the board rate for excess board rates, personal allowances, clothing, etc. If the child is not IV-E or TEA eligible, these expenses are the responsibility of the county. Each county that pays above the standard board rate must have a written policy that assures that children are treated the same, regardless of funding source.

Audit Objective

To assure that State Foster Home Funds are used only for allowable expenses for eligible children.

Suggested Audit Procedure

Review case documentation to determine if the child was found not to be eligible for IV-E or is not receiving TEA foster care funds. Review budget expenditures to determine if State Foster Home Funds were only used for room and board and personal allowance in the following amounts:

For children 0-5, the board/personal allowance rate is \$390 per month, of which no more than 50% (\$195) comes from the State Foster Care Fund. For children 6-12, the maximum reimbursable board rate is \$440 (\$220 SFCE); for children 13+, the rate is \$490 (\$245 SFCE).

5. Eligibility

Individuals receiving assistance must meet the eligibility requirements identified in the Family Services Manual, Volume I, Children's Services, Chapter IV, Section 1205. Children must first be determined to be ineligible for IV-E and TEA is not considered appropriate. For unemancipated minors, the court findings must include judicial determinations that the agency has placement authority and that the court approves the child's removal from the home; the continuation in the home is contrary to the best interests of the child; that reasonable efforts were made to prevent placement or that reasonable efforts could not have been made. Youth ages 18-20 must be in care by way of a Voluntary Placement Agreement in order to be eligible for State Foster Care Benefits. The individual case record must contain documentation of the eligibility determination process.

Compliance Requirement

Prior to the utilization of these funds for foster care maintenance payments, a county agency must complete the foster care eligibility determination form (DSS-5120) for each child in foster care placement. This form documents the eligibility or ineligibility of each child to receive federal IV-E, TEA, or State Foster Care Funds.

Audit Objective

Determine whether agency has appropriately determined the eligibility of a particular child to receive benefits from the State Foster Care Fund.

Suggested Audit Procedure

Examine documentation in individual case record to ascertain if the agency appropriately determined the child's eligibility to receive benefits from the State Foster Care Fund.

7. Matching, Level of Effort, Earmarking

Compliance Requirement

A county must budget local funds in order to secure the required local matching share when federal/State financial participation is less than one hundred percent to the county Departments of Social Services. The State reimbursement for each child is limited to fifty percent of the State standard board rate established for the foster care assistance payment.

Audit Objective

To ensure that counties match all funds as required.

Suggested Audit Procedures

Review county finance records located at the county DSS or the county finance office in order to verify that the county has matched State funds received for this program at the appropriate rate.

12. Reporting

Compliance Requirement

Please refer to the Division of Social Services Family Services Manual, Volume I, Children's Services, Chapter IV, Sections 1203 and 1205. A copy of this manual is located at the agency, or can be viewed at the following website:

<http://infor.dhhs.state.nc.us/olm/manuals>.

Reimbursement for Foster Care Services is requested by the local DSS through the online Child Placement and Payment System (CPPS). The DSS-5094 form is the source document used to key into CPPS. The PQA-020 report is the output produced by the State from CPPS. The PQA-020 report is mailed to the county with their reimbursement.

Audit Objective

To assure that counties accurately report their expenditures on the DSS-5094.

Suggested Audit Procedure

Review a representative sample of cases on the PQA-020 and compare the entries to the information submitted on the DSS-5094.