

**CHILD WELFARE SERVICES – STATE GRANTS**

---

<b>93.645</b>	<b>ADOPTION ASSISTANCE PROGRAM IV-B</b>
<b>N/A</b>	<b>STATE APPROPRIATIONS</b>

---

**U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES**

**Federal Authorization:** Social Security Act, Sections 420-425 and 427-428, as amended; Adoption Assistance and Child Welfare Act of 1980, Title I, Section 103, Public Law 96-272; Omnibus Budget Reconciliation Act of 1987, Public Law 100-203; 42 U.S.C. 620-625 and 627-628; Omnibus Budget Reconciliation Act of 1993, Public Law 103-66; Social Security Act Amendments of 1994, Public Law 103-432 Adoption and Safe Families Act of 1997 (Public Law 105-89) and The Fostering Connections to Success and Increasing Adoptions Act (Public Law 110-351).

**State Authorization:** N/A

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

---

**Agency Contact Person – Program:**

Erin Baluyot  
Foster Care and Adoption Services  
Program Manager  
919-527-6369  
[Erin.Baluyot@dhhs.nc.gov](mailto:Erin.Baluyot@dhhs.nc.gov)

**Agency Contact Person – Financial**

Margaret Faircloth  
DSS Lead County Fiscal Compliance  
Monitor  
910-308-2846  
[Margaret.Faircloth@dhhs.nc.gov](mailto:Margaret.Faircloth@dhhs.nc.gov)

**N. C. DHHS Confirmation Reports:**

SFY 2020 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: <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 2019-2020)”. 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 \(State Fiscal Years 2018-2020\)](#)”.

---

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**

---

This compliance supplement should be used in conjunction with the OMB 2020 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 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. Adoption Assistance payments begin for qualified children after the final order of adoption. For Adoption Assistance reimbursement, County DSS enter data into the Child Placement and Payment System for each child for whom Adoption Assistance is planned. Payments are made through the Child Placement and Payment System (CPPS) and must be no greater than the foster care board rates. The State reimburses the counties for eligible expenditures, sends Adoption Assistance checks directly to eligible families, and provides policy and legal interpretation. 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**

The Type of Compliance Requirements can be found in Section B in the link: [2020 Agency Matrix for Federal Programs](#). This matrix incorporates the OMB Compliance Supplement “Part 2 - Matrix of Compliance Requirement.” A State Agency may have added a compliance requirement that the OMB matrix in Part 2 has a “N” (Not Applicable).

**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 Child Welfare Manual, Appendix 3.6 – Child Welfare Funding – Adoption Assistance. A copy of this reference material should be available in the agency, or at the following web site:

<https://policies.ncdhhs.gov/divisional/social-services/child-welfare/policy-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 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.

County Social Service Agencies are monitored in accordance with the NC Division of Social Services Local Social Service Agencies Monitoring Plan, found at:

<https://www2.ncdhhs.gov/dss/Monitoring/index.htm>.

**B. ALLOWABLE COSTS/COST PRINCIPLES**

Children receiving benefits must meet the eligibility requirements defined in the approved state plan and specified in the Child Welfare Manual, Appendix 3.6 Child Welfare Funding – Adoption Assistance. A copy of this reference material should be available in the agency, or at the following web site:

<https://policies.ncdhhs.gov/divisional/social-services/child-welfare/policy-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.

Certain equipment such as orthopedic appliances, orthodontic appliances, eyeglasses, wheelchairs, hearing aids, computers, and other learning aids may be purchased for pre-existing physical, emotional or psychological handicapping

## **ADOPTION ASSISTANCE PROGRAM IV-B**

---

condition through vendor agreements. The item(s) must be determined by a therapeutic provider to be necessary due to the child's pre-adoptive condition. Additionally, if after adoption, the child is diagnosed as having had a degenerative bone disease which becomes known only after adoption, vendor benefits for this condition, as it existed, but was not known to anyone, prior to the adoptive placement. Reimbursement and/or coverage for these costs must 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.

### **E. ELIGIBILITY**

Individuals receiving aid must meet the eligibility requirements defined in the approved state plan and specified in the Child Welfare Manual, Appendix 3.6 Child Welfare Funding – Adoption Assistance, which can be viewed at: <https://policies.ncdhhs.gov/divisional/social-services/child-welfare/policy-manuals> on the specific section referenced above. Individual case records must contain documentation of the eligibility determination process.

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

**Matching:** 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.

**Level of Effort:** Not Applicable

**Earmarking:** Not Applicable

### **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.