

93.667-3

SOCIAL SERVICES BLOCK GRANT

State Project/Program: STATE IN-HOME SERVICES FUND

**U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION ON AGING**

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.

**N. C. Department of Health and Human Services
Division of Aging and Adult Services**

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SFY 2021 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 2020-2021)". Additionally, audit confirmation reports for Nongovernmental entities receiving financial assistance from the NC DHHS are found at the same website except select "[Non-Governmental Audit Confirmation Reports \(State Fiscal Years 2019-2021\)](#)".

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.

The Division of Aging and Adult Services issues funding authorizations to local county Departments of Social Services (DSS) annually. DAAS revises allocations mid-year according to spending patterns in the local DSS's. Auditors should review the allocations on file at the DSS to determine actual funding.

This compliance supplement must be used in conjunction with the OMB 2021 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 aim of Social Services Block Grant funds is to enable each State to furnish social services best suited to the needs of the individuals residing in the State. Federal block grant funds may be used to provide services directed toward one of the following five goals specified in the law:

(1) to prevent, reduce, or eliminate dependency; (2) to achieve or maintain self-sufficiency; (3) to prevent neglect, abuse, or exploitation of children and adults; (4) to prevent or reduce inappropriate institutional care; and (5) to secure admission or referral for institutional care when other forms of care are not appropriate.

The purpose of the State In-Home Services Fund is to provide a range of services to elderly and disabled persons that will enable them to remain or return to their own homes. In providing these services, elderly and disabled persons can continue to live independently and avoid or postpone institutionalization.

II. PROGRAM PROCEDURES

General program administration, consultation and technical assistance is provided by the Division of Aging and Adult Services (DAAS). DAAS staff monitor these programs for compliance with federal SSBG requirements. Corrective Action Plans are developed and tracked for non-compliance findings. Specific services that are available through this fund are In-Home Aide, Housing and Home Improvement, Preparation and Delivery of Meals and Adult Day Care and Adult Day Health Services.

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 2021 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 2021 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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If there is no program listed on the “Matrix” in Part 2 or Part 4, the State has determined the Type that is applicable. If a Type is determined to be direct and material, the auditor should refer to the requirements found in Part 3 and listed in this supplement.

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.

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 & Debarment	Program Income	Reporting	Subrecipient Monitoring	Special Tests and Provisions
Y	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	Y

A. ACTIVITIES ALLOWED OR UNALLOWED

Salaries, fringe benefits, travel and other necessary and reasonable cost associated with the provision of allowable In-Home Services are appropriate. Local departments of Social Services may purchase allowable services from another agency or provide the service directly to the clients. Allowable services are as follows: (1) In-Home Aides (all levels); (2) Housing and Home Improvement; (3) Preparation and Delivery of Meals; (4) Adult Day Care/Day Health Care and (5) Case Management. Effective State Fiscal Year 2007, the Division of Social Services (DSS) in coordination with DAAS developed new contract procedures that replaced the Family Services Manual, Chapter IV, Volume VI.

B. ALLOWABLE COSTS/COST PRINCIPLES

The DAAS has adopted use of the cost principles outlined in OMB Circular A-87 for use of the Social Services Block Grant State In-Home Service Funds. The purpose and use of these funds is similar to the Title III-B (Compliance Supplement 93.044) funding.

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

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The Social Services Block Grant State In-Home Services Fund is provided on a reimbursement basis. There is no local requirement and therefore no additional testing is required.

E. ELIGIBILITY

Individuals receiving these In-Home Services must meet the eligibility requirements found in the DSS Services Manual Vol. IV (Child Placement and Payment Services) and Vol. VII, Chapter VIII, (In-Home Aide Services).

G. MATCHING, LEVEL OF EFFORT, EARMARKING

The In-Home Service fund has a minimum-matching requirement of 12.5% in local funds. The local match may consist of in-kind resources, local cash, or any combination of the two. Matching funds must be expended or documented at the time expenditures are reported for reimbursement.

Level of Effort and Earmarking are not applicable.

H. PERIOD OF PERFORMANCE

Federal funds are available on an annual basis, with the level of funding being dependent on federal and State appropriations.

I. PROCUREMENT AND SUSPENSION AND DEBARMENT

Procurement

State In-Home Services funds are allocated to each county government to provide In-Home Aide services through local DSS.

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/government-agencies/procurement/procurement-rules> Nongovernmental subrecipients shall maintain written Procurement policies that are followed in procuring the goods and services required to administer the program.

Suspension and Debarment

Not applicable at the local level.

J. PROGRAM INCOME

In-Home Aide services are subject to regulations adopted by the Social Services Commission regarding consumer contributions. Such contributions must be used to expand the provider's services to older and disabled persons. All individuals eligible to receive services must be informed of the requirement that all clients be requested to share the cost of services rendered based on their ability to pay.

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Providers are to exclude clients from consumer contribution policy requirements who receive adult day care, adult day health care, housing and home improvement, in-home aide services, personal and family counseling and/or preparation and delivery of meals AND who are receiving Work First assistance or who are applying for or receiving Supplemental Security Income (SSI).

In addition, adults or children receiving services as part of a Protective Services Plan will be excluded from any Consumer Contributions Policy requirements up to a maximum of 12 months. Children in foster care, children who have been approved to receive adoption assistance and clients receiving Work First assistance are excluded from all Consumer Contributions requirements.

The recommended consumer contribution schedule begins at 150% of the federal poverty level and the recommended full pay amount is established at 255% of the federal poverty level (Consumer Contributions Policy and Procedures Manual, effective September 1, 2005). Agencies must complete a consumer contribution form for all clients receiving services subject to consumer contribution-sharing. A copy of the signed consumer contribution form shall be kept in the client's file. Agencies must document that reasonable efforts have been made to collect consumer contribution revenue at least quarterly from those clients who have agreed to share in the cost of services. The responsibility for collecting and accounting for consumer contribution revenue is the responsibility of the county department of social services or another agency or individual under a purchase of service contract. Gross service expenditures will be reported by agency/provider along with the amount of the consumer contribution revenue collected. Consumer Contribution revenue will be deducted from the gross expenditures reported in order to arrive at the net amount to be reimbursed.

Providers must have written procedures to collect, account for, and safeguard all consumer contributions.

L. REPORTING

Expenditures are reported on form DSS-1571 to receive reimbursement.

M. SUBRECIPIENT MONITORING

County Departments of Social Services are monitored on a four (4) year cycle (*See *COVID exceptions under section "N" on page 5*) Comprehensive and more frequent monitoring of subrecipients can occur when appropriate, determined by on-site consultation visits, desk reviews, and previous corrective action. Increasing the frequency of monitoring and expanding the size of the sample to be reviewed are options utilized to conduct more comprehensive monitoring when necessary.

Additionally, all direct providers of In-Home Aide Services are subject to their licensure as a home care agency to provide Personal Care or are subject to licensure or certification to provide Home Management only.

In the event any non-compliance issues are identified in the written communication to the county department of social services, the compliance monitor is responsible for working with the county department of social services to develop a corrective action plan. The plan must be developed within 30 days of the submission of the written communication

provided to the county DSS and the corrective action plan and close out letter should be sent to DAAS.

N. SPECIAL TESTS AND PROVISIONS

Audit Compliance Requirement

State In-Home Services funds are provided to county DSS through authorization from DAAS. Local DSS' report reimbursement to the Department of Health and Human Services' Controller's Office through the County Administration System. The North Carolina State Auditor monitors the distribution and reimbursement of these funds and, therefore, no additional testing is required. The county authorization can be found at <https://www.ncdhhs.gov/divisions/daas>.

Suggested Audit Procedures

Review client records and DSS-5027 form ensuring eligibility requirements are met.

*COVID-19 Exceptions

The timeframe for monitoring during special circumstances also may be affected. The beginning or end dates within a monitoring timeframe may be extended to accommodate emergency conditions.