
93.556 PROMOTING SAFE AND STABLE FAMILIES

State Project/Program: PROMOTING SAFE AND STABLE FAMILIES

**U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION FOR CHILDREN AND FAMILIES**

Federal Authorization: Social Security Act, as amended, Title IV, Part B, Subpart 2; Omnibus Budget Reconciliation Act of 1993; Public Law 103-66; Social Security Amendments of 1994, Public Law 103-432; Adoption and Safe Families Act of 1997, Public Law 105-89, 42 CFR SECT 629. Amended and reauthorized [within the Children and Family Services Improvement Act of 2011](#), Public Law 112-34.

State Authorization: N/A

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

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SFY 2026 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 DHHS 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 2025-2026)”. 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 Oct’ 2023-2026)”

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.

This State compliance supplement must be used in conjunction with the OMB 2026 Compliance Supplement which is scheduled to be issued in May 2026. The OMB supplement will include “Part 3 - Compliance Requirements,” for the types that apply, and “Part 6 - Internal Control.” If a federal Agency issued guidance for a specific program, this will be included in “Part 4 - Agency Program”. The OMB Compliance Supplement is Section A of the State Compliance Supplement.

I. PROGRAM OBJECTIVES

The purpose of Community Based Programs is to encourage and enable each state to develop, establish, expand, coordinate, and operate Family Preservation Services, community-based Family Support and Respite Services, Family Reunification Services, and Adoption Promotion and Post Permanency Support Services.

The objective of the Family Preservation Services program is to prevent the unnecessary placement of children away from their families by providing services that keep children safe, stabilize families, and encourage parents to use positive discipline and nurturing strategies. Services may include parent support and education, in-home services, group or individual counseling, mentoring, respite care, and family resource centers. All Family Preservation services provided are evidence-based programs and practices that have been proven to reduce the risk factors and increase the protective factors for child abuse and neglect.

The objective of Family Support and Respite Services is to provide community-based services that promote the well-being of children and families, including foster families. They are designed to strengthen families; to increase caregivers’ confidence, competence, and support in their parenting abilities; to afford children a stable and supportive family environment; to enhance child development. Services may include parent support and education, in-home services, group or individual counseling, mentoring, respite care, and family resource centers. All Family Support services provided are evidence-based programs and practices that have been proven to reduce the risk factors and increase the protective factors for child abuse and neglect. Respite care is an important component of a comprehensive continuum of child abuse and neglect prevention programming.

The objective of Family Reunification Services is to improve family functioning to the point where children can safely return to their parents’ home. These funds are administered by county departments of social services to provide allowable services and activities to a child who has been removed from their home and placed in a foster family home or a childcare institution and their parents or primary caregiver regardless of time frames. In addition, child welfare agencies can provide reunification services to a child who has been returned home and to their parents or primary caregiver for up to 15 months after reunification.

The objective of the Adoptions Promotion and Post Permanency Support Services is to encourage finalization of adoption for those children who remain in the State’s foster care. Adoptions Promotion provides a financial incentive after the adoption has been finalized for contracting private child placing agencies to locate, recruit, train, and support prospective adoptive families through the adoption process. County departments of social services may be eligible to receive a year-end funding allocation. County agencies will receive a proportional share of the total statewide funding available to all counties based upon the sum of two factors:

1. The total number of adoptions completed, regardless of age, that exceeds federal adoption baseline targets for each county.

2. The total number of adoptions completed for children 13 years and older or sibling groups of 3 or more placed together for adoption, that fall under the federal baseline.

Post Permanency Support Services provide a broad continuum of community-based services to prevent the disruption of adoption or other permanent living arrangements for children, including family support services and intensive mental health interventions. These services are designed to be flexible based on the family or child's needs after the finalization of adoption or other permanent living situations.

II. PROGRAM PROCEDURES

The North Carolina Department of Health and Human Services (DHHS), Division of Social Services (DSS) obtains this funding by submitting the Annual Progress of Service Report to the Administration of Children and Families (ACF). Funds are awarded to jurisdictions based on availability. DSS estimates allocation of funds for each service, which is reported on the CFS-101 form.

Grants are administered by the NC DHHS - DSS. Family Preservation Services, Family Support Services, Respite Services, Post Adoption Support Services grants are awarded by the DSS through a competitive Request for Applications (RFA), an assessment of the ability and capacity of the organization to implement community-based programs, and availability of funding. An independent team reviews and scores the applications. The recommendations of this team are forwarded to the Community Prevention Program Manager, Section Chief for Child and Family Services, and Deputy Director for Child Welfare Services for approval. Once this process is completed, a formal award notification is sent to approved applicants. The applicant's budget becomes part of the contract between the grantee and DSS. The contract narrative will contain a listing of approved services and activities for a particular program.

Subrecipients are reimbursed through submission of the DSS-1571 III Administrative Costs Report to the DHHS Controller's Office. A sub-grantee under this grant is subject to provisions of Omni Circular. All federal and state requirements are communicated to the subrecipients as part of the RFA and contracting process.

The State is required to monitor, evaluate, and report on all programs funded by this grant in accordance with regulations adopted by the DSS, which can be found at <https://www.ncdhhs.gov/divisions/social-services/county-staff-information/monitoring>.

The Family Reunification Services funding is allocated to all county departments of social services in the State. The amount of funding is calculated based on a formula that includes 1) a base of \$5,000 for each county, plus 2) a percentage of the remaining funds available based on the average number of children in out-of-home care at each quarter's end for the previous federal fiscal year, with a plan goal of reunification.

III. COMPLIANCE REQUIREMENTS

Noted below in the following matrix are the types of compliance requirements (Types) for this federal program identified by either the federal or State agency with a "Y" that are subject to the audit. The auditor must determine if the Type noted by "Y" has a direct and material effect on the federal program for the auditee. If the Type is determined to be subject to audit, the auditor must

use the OMB 2026 Compliance Supplement, Part 3 and Part 4 (if an OMB supplement is issued) in addition to this State supplement to perform the audit.

If the State determines that the federal requirement does not require testing at the local level or if the State modifies the federal requirements, this is discussed in the supplement under the type of compliance requirement. Auditors are not expected to test requirements that have been noted with audit.

CC	A	B	C	E	F	G	H	I	J	L	M	N
Cross cutting	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	N	Y	Y	N

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

Allowable Family Preservation Services are:

1. Family Assessment
2. Early Developmental Screening
3. Individual, group, and family parenting education & support, counseling, and mental health services
4. Family Resource Center based activities
5. Client Advocacy
6. Case Management
7. Services designed to increase parenting skills and support
8. Home Visiting
9. Respite Care
10. Transportation to and from the services and activities
11. Concrete Support
12. Referral to community services

Allowable Family Support Services are:

1. Services designed to increase parenting skills and support
2. Early developmental screening
3. Home Visiting
4. Respite Care
5. Referrals to community services
6. Public awareness and education activities
7. Individual, group, and family counseling and mental health services
8. Child abuse and neglect prevention activities
9. Family Resource Center based activities
10. Transportation to and from the services and activities
11. Family access to formal and informal resources
12. Parent engagement and leadership
13. Concrete Support
14. State and community-based collaborations and partnerships

Allowable Post-Adoption Support Services are:

1. Individual, group, and family counseling and mental health services
2. Parent Education and Training
3. Support groups for adoptive parents and adoptees
4. Case Management
5. Respite Care
6. Concrete Support
7. Advocacy
8. Crisis Intervention
9. Transportation to or from any of the services and activities described in this section.

Allowable Family Reunification Services are:

1. Individual, group, and family counseling
2. Inpatient, residential, or outpatient substance abuse treatment services
3. Mental Health Services
4. Assistance to address domestic violence
5. Services designed to provide temporary childcare and therapeutic services for families, including crisis nurseries
6. Peer-to-Peer mentoring and support groups
7. Facilitation of access to and visitation of children with parents and siblings

8. Transportation to or from any of the services and activities described in this section

The Family Reunification Services Policies and Standards can be viewed on page 26 of the *Cross Function Topics: Policy, Protocol, and Guidance* at the following web site: https://policies.ncdhhs.gov/wp-content/uploads/Cross-Functions-April-2024_3.pdf

B. Allowable Costs/Cost Principles

Family Preservation Services, Family Support Services, Respite Services, Post Permanency/Adoption Support Services grants are awarded by the DSS through a competitive Request for Applications (RFA). The Grantee's contract contains approved costs for services and activities.

- Subrecipients may claim reimbursement for the costs of purchasing any of the above allowable activities from another source.
- In addition to the above allowable activities, subrecipients may claim reimbursement for the purchase of any other services, with prior written approval from DSS.
- Subrecipients may claim reimbursement for travel costs to meetings and other events.
- Purchase of equipment and training materials.

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 basis. Select a sample of invoice expenditures to ensure that the subrecipient was paid before the date of the reimbursement request. There is an exception if the subrecipient has received an approved advance. No additional audit testing is necessary with respect to the Federal cash management requirements of Part III of the Circular A-133 Compliance Supplement.

E. Eligibility

Any tribal government, community-based, public or private nonprofit, tax-exempt organization (including faith-based), school system or local government agency that is duly incorporated and registered under North Carolina Statutes is eligible to apply.

Birth parents, kinship care parents, and adoptive parents are eligible to receive these services.

G. Matching, Level of Effort, Earmarking

These funds are awarded to the state at a rate of 75% federal financial participation. The State uses in-kind funds from the NC Partnership for Children to meet the required 25% match. This requirement has not been passed to the subrecipients; therefore, additional testing is not required.

H. Period of Performance

Federal funds are received by the state over the course of the Federal Fiscal Year (October 1-September 30) and are distributed over the course of the State Fiscal Year (July 1-June 30).

I. Procurement and Suspension and Debarment

Procurement

All subrecipients 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 at <http://www.whitehouse.gov/omb/>.

All subrecipients 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 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.

Suspension and Debarment

The listing of most debarred and suspended parties can be viewed at the following web site: <https://www.sam.gov/SAM/>

L. Reporting

This program is required to report financial data on OMB form OCSE-396A annually. Additionally, program data is reported on OMB form #0970-0204 on an annual basis by the state. This requirement has not been passed to the subrecipients; therefore, additional testing is not required

M. Subrecipient Monitoring

The State monitors the subrecipient to:

- Provide reasonable assurance that the contractor complies with State and federal requirements.
- Ensure that the purchased activity and/or service is being provided in compliance with the written agreement and DSS policy.
- Ensure that funds are expended only for allowable activities and for eligible recipients.
- Requires the contractor to take prompt corrective action where areas of non-compliance are found.