

93.645

**STEPHANIE TUBBS JONES CHILD WELFARE SERVICES  
PROGRAM**

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**State Project/Program: PERMANENCY PLANNING**

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

**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, Public Law 105-89; Keeping Children and Families Safe Act of 2003, Public Law 108-36.

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

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SFY **2023** 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 **2022-2023**)”. 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 2021-2023)”.

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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.

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This compliance supplement must be used in conjunction with the OMB 2023 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

Child Welfare Services, through the use of Permanency Planning Funds, are public social services directed toward the accomplishment of the following purposes:

- (1) Protecting and promoting the welfare of all children, including abused, dependent, and/or neglected children.
- (2) Remedying or assisting in the solution of issues which led to the neglect, abuse, exploitation, or delinquency of children.
- (3) Identifying family issues and assisting families in resolving the concerns which led to the removal of the child.
- (4) Returning children to their families who have been removed, by the provision of services to the child and the families.
- (5) Placing children in suitable adoptive homes, in cases where reunification to the biological family is not possible or appropriate; and
- (6) Assuring adequate care of children away from their homes, in cases where the child cannot be returned home or are not currently placed for adoption.

### 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.

Allocations for Permanency Planning Funds are made to county departments of social services (DSS) based on **population**. Jackson and Swain Counties receive an additional allocation for services to federally recognized Native American populations. The Division of Social Services issues program and funding manuals to communicate federal and State requirements to counties which can be located at:

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

County DSS report expenditures on the DSS-1571 Reimbursement Report to receive reimbursement from the state. The allocation can be used to support direct services (provided by agency staff or purchased) and system reform activities (when approved in writing by the Division) aimed at ensuring permanence for children who are in agency custody or have left DSS custody within the previous 12 months. Additional description of how the grant money can be used can be located in the Services Information System

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(SIS) Manual at: <https://policies.ncdhhs.gov/divisional/social-services/services-information-system-sis/policy-manuals> Permanency Planning subrecipients are monitored in accordance to the NC Local County Social Service Agencies Monitoring Plan, found at: [Monitoring | NCDHHS](#).

**III COMPLIANCE REQUIREMENTS**

Below on the matrix are the types of compliance requirements are applicable to the federal program, noted as “Y,” as determined by the federal granting agency if the federal program is listed in Part 2 of the OMB 2023 Compliance Supplement. A State agency may have added a Type. If the program is not listed in Part 2, the State Agency has determined the applicable Types. If a Type, applicable by OMB, does not apply at the local level or if the State has modified the federal requirements at the local level, this should be explained in the supplement under the Type. A Type that is not applicable at the local level is noted by “N.”

If a particular Type is noted as “Y,” the auditor must determine if the Type has a direct and material effect on the federal program for the auditee. For each Type of compliance requirement, the auditor must use the OMB 2023 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.

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	N	N	Y	Y	Y	N	Y	N	N

**Crosscutting Requirements**

The compliance requirements in Supplement “DSS-0 Crosscutting Requirements” are applicable to this grant.

**A. ACTIVITIES ALLOWED OR UNALLOWED**

Permanency Planning funds can be used to support direct services (services provided to clients by the local DSS staff or purchased) and system reform activities (when approved in writing by the Division of Social Services) aimed at ensuring permanence for children in agency custody or left DSS custody within the previous 12 months.

**B. ALLOWABLE COSTS/COST PRINCIPLES**

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Permanency planning funds may be used for children in agency custody or left DSS custody within the previous 12 months in accordance with the policy contained in the <https://policies.ncdhhs.gov/divisional/social-services/child-welfare/policy-manuals/appendix-3-2-child-welfare-funding-2.pdf>

### **Reimbursable costs include but not limited to:**

- Costs for foster care and adoption staff time on behalf of children in the identified population.
- Costs for Post - Adoption Services and Independent Living Services.
- Costs for supportive services to family members, relatives, caretakers, as needed to achieve permanence.
- Recruitment and training of foster and adoptive parents.
- Travel, training, and supervisory support costs for identified staff in accordance with the Division's cost allocation plan and Fiscal Manual instructions; and
- Legal services designed specifically to achieve permanence for children.

### **Non-reimbursable costs include:**

- Any type of residential care or child day care payment.
- Purchase of therapeutic services covered by other funding resources.
- Education services.
- CPS In-Home Services; and
- Medical services.

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**

This requirement has not been passed to subrecipients as funds are received locally on a reimbursement basis.

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

### **Matching**

Funds are reimbursed at the rate of 75% federal / 25% county funds. A county must budget local funds to secure the required local matching share when Federal/State financial participation is less than one hundred percent to the county department of social services.

**Level of Effort, Earmarking** do not apply at the local level.

## **H. PERIOD OF PERFORMANCE**

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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**

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/>.

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](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.

No subaward, contract, or agreement for purchase of goods or services is to be made with any debarred or suspended party. Auditor should consult listing of debarments on the following web site: [SAM.gov | Duns - Sam UEI](#).

### **L. REPORTING**

This program is required to report financial data on OMB form SF-425 and CFS-101 annually. Additionally, program data is reported on OMB form CFS-101 on an annual basis. This requirement has not been passed to the subrecipients; therefore, additional testing is not required.