



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**

JOSH STEIN • Governor

DEV DUTTA SANGVAI • Secretary

LISA TUCKER CAULEY • Division Director, Human Services

CARLA WEST • Division Director, Human Services

July 30, 2026

Dear County Directors of Social Services:

Attention: Directors, Fiscal Officers, Daysheet Administrators, Managers, and Supervisors

Subject: Clarification of Contractor Time and Effort Reporting Requirements

Purpose: To outline required procedures for documenting contractor time and effort under SIS Manual §200.02 and related fiscal reporting expectations.

I. Contractor Time and Effort Reporting Requirements

This letter provides guidance on time and effort reporting for contractors serving county DSS agencies. Per the SIS Manual §200.02, all workers performing direct client services must complete a DSS-4263 (Daysheet). Failure to properly document contractor time may result in audit or monitoring findings, and the loss of Federal and State revenue.

Counties have raised concerns that their electronic Daysheet systems are hosted behind county firewalls and that county IT policies may prevent contractors from accessing their systems. While electronic Daysheets remain the simplest and most audit-compliant method, contractors are not required to submit Daysheets electronically. Counties may accept Daysheet records submitted through other methods that meet audit standards.

Two acceptable alternative methods are:

- a. **Paper Daysheet:** Contractors may complete and sign a paper DSS-4263 and return it to the agency. A scanned copy or clear photo is acceptable.
- b. **Email submission with certification:** Contractors may complete a DSS-4263 spreadsheet and submit it by email. The email must include a certification from the contractor confirming the information is true and accurate. To maintain an audit trail, the agency must retain an electronic copy of the email and its original attachment.

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF SOCIAL SERVICES

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Counties may have Daysheet system administrators enter this information manually into their electronic systems or upload it directly into NCCORELS during the 1571 process. Agencies must retain sufficient documentation to demonstrate that the time entered matches the contractor's submitted record. An updated DSS-4263 is attached in both paper and spreadsheet formats to support this process.

II. Out-of-State Contractors

Some counties have reported challenges working with out-of-state contractors who provide client-visit services but are unfamiliar with NCDHHS service and program codes. In these cases, the contractor may submit an attestation rather than a complete DSS-4263, provided it contains:

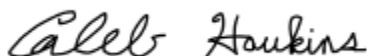
- County name
- Worker name
- Client name
- Date of service
- Duration of service (in five-minute increments)
- Clear description of the service
- A statement attesting that the information provided is accurate

County staff may add missing data elements such as worker ID, client ID, service code, or program code. If the attestation is submitted by email, the agency must retain both the email and original attachment for audit purposes. This attestation option is only approved for **out-of-state contractors**.

We recognize that Daysheet time-reporting places a significant administrative burden on counties. As part of the CARS Modernization project, we are committed to streamlining these requirements, and accounting for the important work contractors conduct for counties will be part of this.

For more information on fiscal reporting procedures for contractors, please refer to the "Reporting Contracted Employees" section in Fiscal Manual Section III, page A-24, or contact your Local Business Liaison.

Sincerely,



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Division of Social Services, Business Operations
North Carolina Department of Health and Human Services

Cc: Lisa Tucker Cauley, Division Director Human Services
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