



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**

JOSH STEIN • Governor

DEVDUTA SANGVAI • Secretary

LISA TUCKER CAULEY • Division Director, Human Services

September 25, 2026

Dear County Directors of Social Services

Attention: Directors, Child Welfare Program Administrators, Managers, Supervisors, Social Workers, and Fiscal Staff

Subject: Guidance on Appropriate Use of Child's Resources in Foster Care – SSA and SSA Benefits

Required Action: ☐ Information Only ☐ Time Sensitive ☒ Immediate

Purpose: Implementation of Guidance Regarding SSA and SSA Benefits for Children in Foster Care

The North Carolina Department of Health and Human Services, Division of Social Services (NCDHHS-DSS), is issuing updated guidance regarding the use and management of Supplemental Security Income (SSI) and Social Security Administration (SSA) benefits received by children and young adults in foster care.

Policy Change

Effective with the issuance of the updated Foster Care Funding Manual 3.5 policy, local child welfare agencies must evaluate a child's SSI and SSA benefits on an individual basis and consider the child's needs, placement, available resources, and best interests when determining how those benefits should be managed.

The updated policy eliminates a blanket approach to using a child's Social Security benefits to offset the cost of foster care. When a child's needs or allowable cost of care can be appropriately met through other available funding sources, including Title IV-E, State funds, or Medicaid, counties should consider conserving the child's benefits for current or future needs.

Why is the Policy Changing

The policy is being updated to align North Carolina's practices with federal Social Security requirements and guidance regarding the management of benefits belonging to children in foster care. The updated approach recognizes that SSI and SSA benefits are resources belonging to the child and should be managed based on the child's individual circumstances and best interests rather than through a blanket application to the cost of care.

What Counties Should Do

To support a smooth transition to the updated Social Security benefits policy, counties should use the period of October 1, 2026, through June 30, 2027, to review cases, begin using the new assessment process, and prepare for full implementation on July 1, 2027.

Beginning October 1, 2026, counties should:

- Begin planning and transitioning toward conservation of Social Security Title II death, survivor, and retirement benefits in preparation for the July 1, 2027, full implementation date.

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

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AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

- Use the Federal Benefits Assessment and Management Tools for all new cases involving children who receive SSI or Social Security (SSA) benefits.
- Review all existing cases involving SSI or SSA benefits where county DSS is the representative payee and complete an assessment at the next Permanency Planning Review.
- By July 1, 2027, counties should have completed assessments for applicable existing cases and transitioned to the updated benefit management requirements.
- Identify appropriate options for managing and conserving benefits, including trusts or NC ABLE accounts when applicable, and coordinate with the county LBL for assistance.
- Ensure SSI and Title IV-E funds are not used concurrently to pay for the same cost of care.
- Ensure appropriate staff are trained on the updated policy, assessment tool, and procedures.

Office Hours

NCDHHS-DSS will host office hours at the dates and times listed below to answer questions and provide clarification regarding this guidance. In addition, ongoing learning opportunities will be provided to support understanding and implementation of these changes.

[Thursday, October 1, 2026, | 1:00 p.m. – Register for Office Hours](#)

[Wednesday, October 14, 2026, | 9:00 a.m. – Register for Office Hours](#)

[Thursday, October 15, 2026, | 1:00 p.m. – Register for Office Hours](#)

For questions regarding this policy reach out to Beth Riley, Child Welfare Financial Officer, beth.riley@dhhs.nc.gov and for training opportunities reach out to Nikki Hull, Child Welfare Eligibility and Compliance Manager, andrea.hull@dhhs.nc.gov

Sincerely,



Beth Riley, MBA
Child Welfare Financial Officer
Division of Social Services, Child Welfare
NC Department of Health and Human Services

Cc: Lisa Tucker Cauley, Division Director Human Services, Child, Family and Adult Regional Support
Carla West, Interim Deputy Secretary for Opportunity and Well Being
Donna Fayko, Deputy Director for Child Welfare
Adrian Daye, Section Chief for Permanency
William "Ben" Rose, Lead Regional Director
Heather McAllister, Section Chief for Child Well Being
Peter West, Lead PATH-NC Implementation Coach
Caleb Hawkins, Lead Local Business Liaison

CWS-72-2026

Attachments: Foster Care Funding Manual 3.5 (Non-PATH NC Users)
Foster Care Funding Manual 3.5 (PATH NC Users)
Attachement A-Initial Federal Benefits and Assessment Tool for Children and Youth in Foster Care
Attachement B-Annual Update-Federal Benefits and Assessment Tool for Children and Youth in Foster Care