



North Carolina Department of Health and Human Services
Division of Social Services

325 North Salisbury Street • Raleigh, North Carolina 27603
Courier # 56-20-25

Michael F. Easley, Governor
Director
Carmen Hooker Odom, Secretary

Pheon E. Beal,
(919) 733-3055

October 25, 2002

Dear County Director of Social Services

Subject: Child Welfare Program Code Changes

**Attention: Children's Services Social Workers
Children's Services Supervisors
Fiscal Officers**

This letter contains information relating to changes in some funding code identifiers and instructions for documenting the proper funding source for General Recruitment, Assessment and Training services for foster and adoptive parents. Specifically, this letter addresses:

1. Program Codes R and 0 (zero)
2. Applying the IV-E Penetration Rate
3. Application Codes Relating to IV-E Training

I. Program Code 0 (zero)

In Dear Director Letter dated March 19, 2001, we discussed the use of Program Code 0 (zero) for TANF CPS & FC/Adopt services. The letter stated that eligibility requirements for Program Code (zero) are identical to Program Code R for Work First Block Grant and that these funds must be exhausted prior to the use of Program Code R. The letter advised you of the legislative requirement that the Division must track these program codes separately. This letter reiterates that policy and clarifies that all Service Codes that are applicable to Program Code R also apply to Program code 0 (zero).

Program Code 0 (zero) funds must be used until they are exhausted, at which point Program Code R should be used for all eligible TEA children. Program Code 0 and Program Code R have the same eligibility requirements and the child must meet the TEA eligibility requirements outlined in Dear Director Letter, dated September 28, 1999.

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County DSS agencies must monitor spending to ensure coding is switched once 0 (zero) funding is exhausted. If a county DSS should overspend, the Controller's Office will transfer the overage from 0 (zero) to "non-reimbursable" when the agency overspends its allocation. County DSS staff will have to request via letter to the Controller's Office, County Administration Section, that any portion categorized as "non-reimbursable" be reclassified to R funding. It is each county DSS's responsibility to make sure future coding and the expenditure corrections are made when 0 (zero) funds are exhausted. It will be extremely important for county DSS agencies to review the information for 0 and R funding reflected on the reports **XS411** and **XS337** and to have program staff modify their coding when needed. Otherwise, county DSS agencies may overspend their 0 funds and go unreimbursed for their expenditures at the end of the fiscal year.

It is allowable for county fiscal staff to manually change the Percentage of Time Report to reflect "R" rather than "0" if staff have coded day sheets to 0 after TANF CPS & FC/Adopt ser funds are depleted.

Effective September 1, 2002, all service codes with a Program Code R will also contain Program Code 0 (zero), and all service codes with a Program Code 0 (zero) will also contain a Program Code R.

A reminder: IV-E must be ruled out as a funding source before Program Code 0 or Program Code R may be used.

II. Applying the IV-E Penetration Rate for Service Codes 011, 102 and 103

It has been brought to our attention that some county Departments of Social Services are experiencing confusion about coding the IV-E penetration rate when using the General Recruitment Service Codes 011 (General Recruitment, Assessment and Training of Adoptive Parents), 102 (Foster Care Services for Children-Training), and 103 (General Recruitment, Assessment and Training of Foster Parents). It is important for agencies to ensure that staff code the proper funding source so that financial resources can be maximized.

The Services Information System (SIS) Manual contains instructions for coding Program Code Z for recruitment, licensing and training of foster and adoptive parents when these services are not linked to a particular child's eligibility (SIS Manual, page B-2). Some agencies have required service staff to record not only Program Code Z, but to designate on their daysheet what other funding sources should make up the non-IV-E portion. However, as the availability of specific funding sources may change over time, service staff may not always be aware of which funding source is the best to use.

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Effective immediately, child welfare service staff should document Program Code Z on their daysheets when using Service Codes 011, 102 and 103. Agency Fiscal staff can then decide which funding source(s) should apply to the non-IV-E share. Since these services are not "child-specific", this decision is based exclusively on the availability of funds that are allowable to support these services.

As you know, Service Codes 011, 102 and 103 are non-child specific and, as such, no individual SIS ID# is required. If the worker is conducting child specific recruitment, the program code follows the child's eligibility category.

We hope this ends an apparent conflict between information contained in the SIS Manual and information provided by the Controller's Office in two letters dated November 21, 2001 and January 16, 2001 respectively. Both letters are attached.

III. Application Codes 367 and 249 for DSS 1571 Reporting Purposes

Due to elimination of Child Welfare Training (Application Code 367) and Non-IV-E Child Welfare Training (Application Code 249) funding by IV-E, these programs are now obsolete. These costs should now be cost pooled if your county does not direct charge similar expenditures. Both codes have been eliminated because of budget cut backs. This is effective with May 2002 services paid June 2002.

Part II Code 249, Fund 1 and Part II Code 367, Fund 1 are obsolete codes and are no longer valid for Child Welfare Training and Non IV-E Child Welfare Training activities.

If you have questions relating to the Service and Program Codes, please contact the Policy and Initiatives Team at (919) 733-4622. If you have questions relating to the Application Codes regarding child welfare training, please contact your Local Business Liaison.

Sincerely,


Charles C. Harris, Chief
Children's Services Section

Sincerely,



Paul LeSieur, Chief Budget Officer

cc: Pheon Beal Local Business Liaisons
Sherry Bradsher

Gary Fuquay
Children's Services Team Leaders
Children's Services Programs Representatives
CS-27-2002