February 24, 1998

Dear County Director of Social Services:

SUBJECT: Termination of the Availability of Title IV-A and IV-F Funds.

The US Department of Health and Human Services has notified the North Carolina Department of Health and Human Services that a deadline has been established for submitting claims to be paid from the Title IV-A & IV-F (AFDC) grant. In order to meet that deadline and process all pending claims timely, the State must implement a cut-off point for the submission of AFDC claims. It is imperative that this deadline be met as there are no State funds to supplant the federal funding that will cease at that point. Both benefit payments and administration are affected.

BENEFIT CHECKS:
The following AFDC claims situations must be submitted to the State office by April 1, 1998 in order to qualify for federal funding. Any reimbursements after that date must be supported with all county funding. Some examples of possible reimbursement situations are:

1. Any replacement of AFDC checks requested on a DSS 8129 with a benefit month date prior to January 1997. January 1, 1997 is the date North Carolina implemented the TANF Block Grant.
2. Any DMA-5022s for county initiated checks not keyed for reimbursement with a benefit month prior to January 1997.
3. Any State issued checks processed on a daily run with a benefit month prior to January 1997.
4. Any reclassification of county responsibility for checks with a benefit month prior to January 1997.

With an implementation date of April 1, 1998, hopefully this will provide ample planning time to ensure that most all AFDC claims with a benefit date prior to January 1997 will be settled before the deadline. If not, the county must decide on an alternative method of funding for claims that are prior to January 1, 1997.

As AFDC is an entitlement, should a replacement check be requested by a recipient and the county completes the DSS 8129, the state will cover the old federal share of the benefit amount. All other actions initiated by the county with regard to AFDC benefits will be the financial responsibility of the county. If you have questions concerning benefits, please contact Debbie Hawkins at 733-4640.

COUNTY ADMINISTRATION:
On the administration side, any increases in claims for such things as audit adjustments must be processed no later than April services, reimbursed in May. Any claims against the Title IV-A or IV-F grant subsequent to submission of the DSS 1571 for April services submitted in May will be charged back to all county.

The majority of county single audits for 1996 are settled and closed with regard to AFDC funding. For 1997 we have received from the Local Government Commission only 7 out of 100 counties. Any actions you can take to speed up the submission process by the local CPA may provide you additional time toward resolution of any
audit findings related to AFDC before the preparation of the 1571 for April services. Should you have questions regarding the DSS 1571 please call Tina Pickett (733-2306) or Jim Knight at 733-4640.

US DHHS has determined that all refunds or returns to the Title IV-A and IV-F grant will continue to be required with no effective cutoff date. It is only the increases to these grants that are being effected by the designated cutoff date. Internal to North Carolina, any refunds will continue to be processed in the same manner.

Thank you for your cooperation in resolving this issue.

Sincerely,

Joyce H. Johnson

cc: Kevin FitzGerald
    Pheon Beal
    Leza Aycock
    Debbie Hawkins
    Gary Fuquay
    Jim Knight
    Tina Pickett
    Local Business Liaisons