



North Carolina Department of Health and Human Services Office of the Controller

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Dear County Director of Social Services:

Subject: Allocating Overhead for Positions Housed in DSS

It has come to our attention that there is some confusion regarding the allocation of overhead for personnel occupying space within a DSS facility. Any staff that is provided dedicated office space and receiving administrative and/or clerical support must be reported on the DSS 1571, Part I. In Section I-D-Supporting Documentation-the DSS Fiscal Manual states that "all staff located in or supervised by the local departments of social services shall be reported by showing their program time in the appropriate column(s). Time not directly charged to a program(s) shall be allocated when the report is processed at the State office". Administrative costs are allocated based on the total number of FTEs reported on the DSS 1571, Part I. This allocation process assures that other Federal programs do not pick up a disproportionate share of costs and that the administrative "burden" is equitably distributed among all benefiting programs. This also applies to staff working in a non-DSS program. A non-DSS program is one that is not funded or administered by the Division of Social Services. If the position is determined to be non-DSS reimbursable, overhead applied to the position will also be non-DSS reimbursable. Please refer to the DSS Fiscal Manual, Section III-A, Procedures for Recording Salary Data, Item 19, for reporting instructions.

As stated earlier, these reporting procedures apply to any staff that are provided dedicated space within the DSS facility. This situation could apply to Division of Services for the Blind employees, Job Link employees, Vocational Rehab. employees and others. Each county should assure that all staff are being reported appropriately and costs are being allocated according to the methodology outlined in the DSS Fiscal Manual and OMB Circular A-87.

This clarification of policy will be incorporated into the next update of the DSS Fiscal Manual. If you have any questions, please call your Local Business Liaison or contact the County Administration Accounting Unit at (919) 733-2306.

Sincerely,

[signed]

Gary H. Fuquay

GHF:dh

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