

# **SECTION**

## **VI-A**

## SECTION VI - PAYMENT PROCESS

**December 31, 2023**

### Section VI-A Funding Authorizations

Each Division within the Department of Health and Human Services which provides funding to County Departments of Social Services through an allocation process will provide **funding authorizations**, which will set forth the amount of funds that can be made available to them.

The **Division of Social Services** will provide funding authorizations for DSS programs at website. <https://www.ncdhhs.gov/divisions/social-services/county-staff-information/budget-information/information-county-departments#funding-authorizations-for-sfy> At the time each funding authorization is available to be released, an email will be generated notifying County Directors, Fiscal Officers and County Finance Officers that they are available on the website.

The funding authorizations will be in an excel format that will list all counties in alphabetical order. The spreadsheet will reflect the new authorized amounts, amounts previously authorized if applicable, and total authorized amounts. Amounts will be broken down by federal, state and required county match as applicable.

The following list identifies the funding authorizations that will be issued by DSS. Please note some require the Director's signature.

<b>Work First County Block Grant</b>	Requires Director's Signature
<b>TANF Transferred to SSBG</b>	Requires Director's Signature
<b>CPS TANF Transferred to SSBG</b>	Requires Director's Signature
<b>SSBG Services 75% (FEDERAL)</b>	Requires Director's Signature
<b>Crisis Intervention Program</b>	Requires Director's Signature
<b>LIEAP &amp; CIP Administration</b>	Requires Director's Signature
<b>LIHEAP Svc</b>	Requires Director's Signature
<b>Project Share</b>	
<b>Wake Electric Membership Corp</b>	
<b>Share the Warmth</b>	
<b>Haywood Electric</b>	
<b>Child Protective Services – IV-E</b>	
<b>Child Protective Services – State</b>	
<b>Foster Care Caseworker Visit</b>	

**Foster Care / Adoptions – IV-E  
LINKS**

**Permanency Planning-Svc**

**Permanency Planning-Adm**

**Section VI-Payment Process (continued)**

**Section VI-A Funding Authorizations**

**TANF Child Welfare Workers for Local DSS** Requires Director's Signature

The signed Funding Authorizations are required by the federal government to demonstrate that these funds have been obligated. Counties must complete the designated Funding Authorizations by faxing or mailing to their Local Business Liaison. These Funding Authorizations must be returned within 15 business days from the authorization date. Regardless of whether a copy of the document is faxed or mailed, counties are required to retain a copy of the document submitted for retention and audit purposes.

**Programs**

**CFDA No.**

Temporary Assist. For Needy Families (TANF)	93.558
Low Income Home Energy Assistance Program(LIHEAP)	93.568
Social Service Block Grant (SSBG)	93.667

**This section includes a brief description of allocation formulas for allocations distributed by the Division of Social Services.**

1. **Crisis Intervention Payments and Low Income Energy Administration** funds are allocated based on each county's share of SSI, Work First, and Food Stamp households plus 4.5% of the remaining non-categorical households.
2. **Social Services Block Grant funds and State In-Home funds** are allocated based on each county's percentage of the total public assistance recipient population and general population. Each of the population figures is weighted equally.
3. **LINKS** funds are allocated based upon the number of eligible youths aged 16 - 21 in each county as identified by the Child Placement Information Tracking System.
4. **Adolescent Parenting** funds are allocated to specific programs based upon responses to Requests for Proposals. The same level of State funding is allocated to each program. (Grant Ended 2007)
5. **Adult Day Care** funds are allocated to specific programs based upon responses to Requests for Proposals.
6. **Permanency Planning and Special Permanency Planning** funds are allocated based on the most recent population estimates.

7. **Family Preservation** funds are awarded to specific programs based upon responses to Requests for Proposals. (Grant Ended 2010)
8. **Work First County Block Grant** funds are allocated based upon the percentage of each county's total AFDC (including AFDC EA) expenditures, except expenditures for cash assistance. The resulting percentage is applied to the State's total budgeted funds, except funds budgeted for Work First Family Assistance, for Work First Program expenditures at the county level (GS 108A-27.11(a)).
9. **Adult Care Home Case Management** funds are allocated based upon each county's expenditures in the prior year.
10. **State Foster Care and Adoption** funds are allocated to counties based upon the need for increased Foster Care and Adoption staff, per the Dear County Director letter from Charles C. Harris dated November 24, 1997.
11. **Program Integrity** funds are allocated in an equal amount to each county.
12. **Share the Light** funds are allocated based on the percentage of each county's Progress Energy client population to Progress Energy's state-wide residential customers.
13. **Work First Demonstration Grants** awards were time limited-grants. This Grant was issued to N.C. County DSS's, based on the availability of funding and the submission of an acceptable grant proposal. The purpose of the grant awards was to identify best practices to improve worker participation rates. (Grant Ended 2009)

County Departments of Social Services are at times asked to voluntarily relinquish any allocated funds (such as Social Services Block Grant or State In-Home Funds) that they believe they would not be able to spend in that fiscal year, so that those funds may be reallocated to counties that need additional funds.

The Division's policy regarding any county that relinquishes such funds is as follows:

1. **Any county that relinquishes funds for reallocation to other counties and afterwards discovers that it (the county relinquishing the funds) needs additional funds for that fiscal year will be given top priority for any subsequent reallocation of funds (in that fiscal year).**
2. Any funds voluntarily given up by a county in a given fiscal year will not affect that county department's permanent allocation.

**SECTION  
VI-B**

## Section VI-B Interim Payment

### General

County program administration costs are reported to the Division for reimbursement at the end of the month following the month in which obligations were incurred and the payment process initiated. During the period of delay between payment and reimbursement from the state, counties may experience difficulties with cash availability. Therefore, to assist counties with their cash flow, a method called the interim payment process has been designed that will allow them to receive a reimbursement prior to the filing of the reimbursement report (DSS-1571).

### **The Interim Payment Process works as follows:**

Beginning with the August 2000 reimbursement, any county that wishes an interim payment must provide the Department with a completed copy of the Preliminary County DSS Administrative Reimbursement Report, (Figure VI-B), by the seventh work day of the month following the end of the service month. It must be completed and attested to base on the records of the county. The signed form may be faxed, or an original copy may be mailed.

***Effective July 1, 2004 for FY 04-05, it is no longer required that the original signatures of the county director and county finance officer on the Preliminary County DSS Administrative Reimbursement form be mailed to the Controller's Office; it may be faxed to the Controller's Office. Electronic signatures and signature stamps are permitted. However, it is the responsibility of the county to establish procedures assuring that only authorized persons have access to facsimile signatures. Regardless of whether a copy of the document is faxed or mailed, counties are required to retain a copy of the document submitted for retention and audit purposes.***

Fax to: County Administration Accounting Unit  
(919) 715-5847

Mail Original to: DHHS Controller Office  
ATTN: County Administration Accounting Unit  
2019 Mail Service Center  
Raleigh, NC 27699-2019

The Department will use the expenditures reported on the form and the county's historical pattern of actual federal and state participation to compute the amount of the interim payment. This method of making interim payments will continue to be contingent upon a timely submission of the DSS-1571 in the prior month.

[Appendix VIII](#)

***PENALTY FOR LATE SUBMITTAL OF THE DSS-1571***

County departments of social services must submit their DSS-1571 reports in a timely basis to avoid being excluded from the interim payment process. **If the County Administration Accounting Unit has not received the DSS-1571 (balanced and error free) by the 15th of the month, or the first workday thereafter, (following the month during which services were provided/expenditures were incurred), your county will not receive an interim payment check the next month, if requested.**

# **SECTION VI-C**



## Section VI-C Electronic Funds Transfer

### General

In 1996, the Division of Social Services established, pursuant to the Office of State Controller's Cash Management Directive, a new system for recovering the county share of public assistance programs. This directive requires that collections and payments between State agencies and local units of government use the State Treasurer's STEPS-IN and STEPS-OUT electronic funds transfer system. The electronic funds transfer system consists of drawing funds from the counties' bank accounts for recovering the county share of public assistance programs and electronically reimbursing the counties when applicable, on a specified date. Notices as shown on the following page are faxed to the counties to inform them of the funds that are required to be in the account and also to inform the counties of the funds that will be deposited electronically into the account on that date. The divisions allow a period of 5 business days notice to the counties for assurance of sufficient funds in the account. As stated in the Cash Management Directive, "any payments remitted to the State agency by check or otherwise, which is not paid on a timely basis, shall be subject to the interest and penalties provisions as set forth in G.S. 147-86.23." Reports are sent as back-up for EFT transactions.

### *Central Payment System*

The Division created a "Central Payment System" whereby checks for public assistance recipients would be written on an account with the State Treasurer rather than on commercial bank accounts operated by the 100 counties. As the check clears the state-wide account, **an electronic funds transfer system is utilized to obtain the counties share of the public assistance costs.**

### *Programs Subject to the Electronic Funds Transfer System*

1. Temporary Assistance for Needy Families TANF NC FAST
2. State/County Special Assistance to Adults - SC, SA NC FAST
3. Medical Assistance (Administered by Division of Medical Assistance)
4. County Administration Interim and County Administration Settlement (DSS-1571)
5. Adoption Assistance, Foster Care and Vendor Payments (CPITS)
6. Child Support Enforcement - Payments to counties
7. Other Programs as selected.

Refer to the DHHS Office of the Controller website for codes used in the Electronic Funds Transfer.

The county is required to maintain an account with the appropriate funds needed on a specified date. A notice will be faxed to the county stating the amount of the draft and the effective date of the draft. Reports for back-up of EFT transactions are mailed to the county.

**At any time where a change is necessary in the pertinent information on the electronic funds transfer process, such as the name of bank honoring EFT transactions, account numbers, county fiscal officers, etc., the EFT Authorization Form should be completed and submitted to the appropriate State office.**

***Failure to Arrange for Public Assistance to the State***

To encourage counties to meet their local social services budget obligations, the 1981 Appropriations Act, Section 16 provides that “The Director of the Budget is authorized to withhold from any county that does not pay its full share of public assistance costs to the State and has not arranged for payment pursuant to G.S. 108-54.1 or G.S. 108A-143, any State moneys appropriated from the General Fund for public assistance and related administrative costs, or to direct the Secretary of Revenue and State Treasurer to withhold any tax owed to a county under Article 7 of Chapter 105 of the General Statutes, G.S. 105-113.86, Article 39 of Chapter 105 of the General Statutes or Chapter 1096 of the Session Laws of 1967. The Director of the Budget shall notify the chairman of the board of the county commissioners of the proposed action prior to the withholding of funds.”