



North Carolina Department of Health and Human Services

DIVISION OF CHILD DEVELOPMENT

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Michael F. Easley, Governor • Carmen Hooker Odom, Secretary • Robert W. Kindsvatter, Director

DIVISION OF CHILD DEVELOPMENT ADMINISTRATIVE LETTER NO. 1-07

TO: Directors of County Departments of Social Services
Child Care Coordinators
Directors of Other Child Care Purchasing Agencies

FROM: Robert W. Kindsvatter

ISSUED: April 20, 2007

SUBJECT: Local Match for Child Care Subsidy Services

The purpose of this letter is to provide information about the types of funding that will count as local match for purposes of requesting a reallocation of subsidy funding. Information is also provided about the implementation of new codes to capture this information in the Subsidy Reimbursement System.

Background

A provision was approved in the 2006 Budget Bill which requires counties or local purchasing agencies to provide a local match of 15% if a reallocation of \$25,000 or more is provided beyond the initial allocation amount. This means that if an agency requests and receives additional funding of \$25,000 or more through a reallocation of funds, the agency must provide a match of local funds. The provision became effective during the 2006-2007 State Fiscal Year. The intent of the local match requirement is to expand local resources available to serve children who qualify for child care subsidy services.

Sources of Local Match

During the course of the year, there has been discussion with staff in the Department and members of the North Carolina Association of County Directors of Social Services regarding the types of funding that should count as match. It has been determined that the following will count as local match if the funds are available during the state fiscal year in which a reallocation is requested.

1. County or local government funding.
2. TANF MOE funds spent within the current State Fiscal Year.



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3. State Smart Start funds provided by the local Smart Start partnership that are beyond the 30% requirement. Note that the amount to be counted is the amount that exceeds the previous year's final Start allocation amount and includes funds spent on subsidy services provided to children that are eligible under DCD issued policy. This decision is consistent with the intent of expanding local resources.
4. Private donations or grant funding such as United Way.

Reimbursement System Codes

Codes are available effective for the service month of March 2007 for use in the Subsidy Reimbursement System to report the various types of local funds used to pay for child care subsidy services. Funds that are spent prior to the month a reallocation is received can be considered as funds that will meet the local match requirement if the codes provided for local match are used to identify the expenditures in the Subsidy Reimbursement System.

The codes that are available to track other sources of funding are as follows:

71 - TANF MOE

72 - TANF Federal funds

73 - TANF eligible children (under 200% poverty level) who do not receive Work First Family Assistance

55 - County funds, private donations or grant funding

NOTE: The only new fund sources codes listed above that will count towards local match requirements are codes 71 and 55. The other fund source codes are added at the request of county staff to assist in tracking TANF expenditures. Services coded to Smart Start (15) will be counted as local match if they meet the criteria described above.

If an agency paid for subsidy services using one of these eligible sources prior to the implementation of the codes in the Subsidy Reimbursement System, the Division will work with the agency to review other source documents that can verify the expenditures.

If you have questions about this information, please contact the Subsidy Services Consultant assigned to your agency.

RK/NG