

North Carolina Department of Health and Human Services
DIVISION OF CHILD DEVELOPMENT



Michael F. Easley, Governor

Dempsey Benton, Secretary

Cynthia L. Bennett, Director

DIVISION OF CHILD DEVELOPMENT ADMINISTRATIVE LETTER NO. 2-07

TO: Child Care Coordinators

FROM: Julia McMillian, Information Management Services Unit
Cynthia Mitchell, Information Management Services Unit

ISSUED: September 18, 2007

SUBJECT: Implementation of Correction Codes

EFFECTIVE DATE: October 2007 service month

The purpose of this letter is to provide revised instructions for entry of prior month correction records into the Subsidized Child Care Reimbursement System (SCCRS). In order for the Division to track information related to the various reasons Prior Month Correction records are entered into the SCCR, correction codes have been developed. The codes and definitions are as follows:

Code **Definition**

- 1 Administrative and Inadvertent Errors
Corrections resulting from:
 - Keying errors (for example - rate, parent fee, or service days)
 - Entry of information from the prior month which were received following the cut off date in the previous month
- 2 Monitoring
Corrections required as a result of errors found in monitoring by the Division
- 3 Fraud (Provider)
Fraud that involved a provider for reasons such as, but not limited to:
 - Claiming payment for children who were not in attendance
 - Claiming payment for children when over capacity
 - Admission by provider that funds were received for which the provider was not eligible
 - Convictions in prosecuted cases

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4 Fraud (Parent)

Fraud that involved a recipient for reasons such as, but not limited to:

- Reporting inaccurate or false income information
- Intentional failure to report changes
- Admission by recipient that funds were received for which the recipient was not eligible
- Convictions in prosecuted cases

5 Fraud (Agency)

Fraud that involved employee(s) of the agency

6 Audit

Corrections required as a result of the annual single county audits

Implementation

The Division will implement the correction codes beginning with the October 2007 service month. All Prior Month Correction entries will follow the new procedures outlined in the attachment, regardless of the service month when the original payment was made. Counties which utilize the One Case System will be expected to modify their systems for implementation for the October 2007 service month. If modifications are not completed by the implementation date, then Prior Month Correction record entries must be made in the SCCRS until modifications are completed.

Revised instructions for the entry of Prior Month Correction records into the SCCRS are attached to this letter. These instructions will also be included in the upcoming revision of the Subsidized Child Care Reimbursement Manual.

Please share this information with Reimbursement Staff in your agency. If you have questions about the definitions provided with this letter, please contact the Subsidy Services Consultant or the Program Compliance Consultant assigned to your agency. If you have questions about the use of the codes, contact us.

JM/CM

Attachment

cc: Subsidy Services Section Staff