



DEPARTMENT OF HEALTH AND HUMAN SERVICES  
DIVISION OF CHILD DEVELOPMENT AND EARLY EDUCATION

ROY COOPER  
GOVERNOR

MANDY COHEN, MD, MPH  
SECRETARY

TAMARA BARNES  
ACTING DIRECTOR

May 18, 2017

**Dear County Directors of Social Services and Local Purchasing Agencies**

**Letter Number:** SCCA DCDL 2017 - #02

**Attention:** Child Care Coordinators, Supervisors and Managers  
Reimbursement Staff

**Subject:** Instructions for Local Purchasing Agencies' Close Out of the Subsidized Child Care Reimbursement System and NC FAST for State Fiscal Year 2016-2017

**For counties using only SCCRS:**

In order for the Division of Child Development and Early Education (DCDEE) to close out State Fiscal Year (SFY) 2016-2017, May services month subsidy expenditures must be entered in the Subsidized Child Care Reimbursement System (SCCRS) by 3:00 p.m. on Friday, June 9, 2017. After Local Purchasing Agencies (LPA) complete their Part A Closeout, a delay in counties' close out automatically occurs. This delay allows DCDEE staff time to review counties' expenditure balance and determine if one or more of the following situations exists. When counties close out Part A, notification must be sent to DCDEE via email to [dcd.scc.support@dhhs.nc.gov](mailto:dcd.scc.support@dhhs.nc.gov).

1. If the Smart Start balance is \$500 or more, LPA staff will be asked to recode expenditures from Fund Source 25 to Fund Source 15 to spend out Smart Start funds.
2. If Smart Start funds are overspent by more than \$100, LPA staff will be asked to recode expenditures from Fund Source 15 to Fund Source 20 or 25.
3. If Non Smart Start funds are overspent up to \$1,500, no corrections will be necessary.
4. If Non Smart Start funds are overspent by more than \$1,500, LPA staff will be asked to recode expenditures to other funds sources and enter the fund source code such as codes 55 (Local Funds), 71 (TANF MOE), 72 (TANF Federal Funds,) and 73 (TANF Child Only-200% Poverty).

**NOTE:** Expenditures already coded Fund Source 20 should not be recoded to another fund source. This is because DCDEE may have earned Title IV-E funds for these payments.

Donna Lipscomb, Administrative Officer in the Subsidy Services Unit of the Division will contact the child care staff in the LPA to confirm how expenditures will be recoded. DCDEE staff will advance counties' close out to the next step for payment after LPA staff complete the recoding process.

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**For pilot counties using NC FAST:**

All prior month corrections for payment months serviced through SCCRS must be completed in SCCRS by 3:00 p.m. on Thursday, June 8, 2017. Corrections to payments made through NC FAST are handled through a separate under/over payment process that is not the same as the recoding process for SCCRS.

The LPA Fund Manager should review total payment amounts for May services/June expenditures to ensure that the June expenditures do not exceed the county's Smart Start and Non Smart Start allocations. If June expenditures do exceed either of these allocations, the LPA Fund Manager must adjust the obligation to Smart Start, Non Smart Start, or county funds to prevent overspending of the county's allocation for the May services/June payment month. Within NC FAST, priority should be given for Smart Start funds to be ranked first to ensure that all Smart Start funds are obligated. If any Smart Start funds remain, cases should be moved to Smart Start funds by the LPA Fund Manager to ensure that all Smart Start funds are fully obligated.

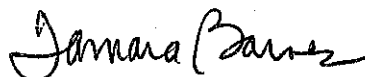
**For all counties:**

Counties must secure prior approval from DCDEE for amounts that exceed \$1,500. This is done by contacting Jose Merza via email at [Jose.Merza@dhhs.nc.gov](mailto:Jose.Merza@dhhs.nc.gov). The email message must describe the amount of funding needed and why the overspending occurred. If funds are available, the Division may provide funds to cover the LPA's request.

**NOTE:** If a balance exists for Non-Smart Start services support funds, LPA staff must request permission from the Division to move these funds into direct services. If a balance exists for Smart Start services support funds, LPA staff must refer to their current Memorandum of Understanding (MOU) for instructions or consult with their local Smart Start partnership to request that funds be moved to direct services. If possible, please spend out the Smart Start services support funds by May. The local purchasing agency is responsible for Non-Smart Start and Smart Start services support funds overspent for the SFY 2015-2016.

If you have questions about the information contained in this letter, please contact Sonya Beatty, Budget Manager at [Sonya.Beatty@dhhs.nc.gov](mailto:Sonya.Beatty@dhhs.nc.gov) or 919-527-6513.

Sincerely,



Tamara Barnes, Interim Director  
TB/EE

cc: North Carolina Partnership for Children, Inc.