



North Carolina Department of Health and Human Services

**DIVISION OF CHILD DEVELOPMENT**

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Beverly Eaves Perdue, Governor

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Deborah J. Cassidy, Director

**MEMORANDUM**

**TO:** Director of County Department of Social Services  
Directors of Local Purchasing Agencies

**FROM:** Deborah J. Cassidy *J. Cain for D. Cassidy*

**ISSUED:** October 6, 2009

**SUBJECT:** Revised Allocation Spending Guidelines and ARRA Reporting Measures

The Department of Health and Human Services (DHHS) has received further guidance as to the reporting of the American Recovery and Reinvestment Act (ARRA) funds. The Division of Child Development (DCD) is issuing this memo to provide clarity and further guidance to the Local Purchasing Agencies (LPA) in spending the State Fiscal Year (SFY) 09-10 allocation that includes the ARRA funding.

**Allocation of One-Time Funds**

In your current funding authorization, all counties received additional one-time funding designated as ARRA. However, due to the reporting requirements of CCDF ARRA, we are changing the way that we will be charging ARRA funding. As a result your one-time funding allocation will be redefined as "ARRA enabled," i.e., one-time funds that are available to counties due to the total availability of ARRA funds NC received through the Child Care Development Fund (CCDF) Grant. This means that your one-time funds may be supported with CCDF ARRA funding or from some other source of funding which supports the Subsidized Child Care Program.

**It is important to note that there is no change to any counties' allocations by designating where the ARRA funds will be expended.** All counties will still receive the same amount of one-time funding previously shown as ARRA within their funding authorizations. **There will also be no change as to how you will manage your one-time funds.** As outlined in DCD's September 10, 2009 memo, these one-time funds are to be coded as Fund Source 65 and managed as part of your regular allocation beginning in the payment month of October 2009. The one-time funds will be allotted each quarter for the remainder of SFY 09-10, based on the rate of spending. We encourage local purchasing agencies to issue time limited vouchers to serve families with the nonrecurring ARRA enabled funds. We also encourage local purchasing agencies to utilize the expanded eligibility policies to support job search, job training and education in support of employment for families.

**ARRA Reporting Requirements**

ARRA regulations require that certain data be reported from sub-recipients and vendors who receive ARRA funding. This includes county departments of social services/local purchasing agencies and child care providers. If ARRA funds were spent in every county, collecting and reporting the amount of data from thousands of providers within the required deadlines would be a tremendous undertaking. In consultation with the NC Office of Economic Recovery and Investment, DHHS has implemented a process that will limit the amount of data collection that will be required to meet ARRA reporting requirements. As a result, subsidized child care expenditures will be charged to CCDF ARRA funding in 50 counties (see attached list).

**DCD Subsidy Services Consultants will be contacting the 50 counties where ARRA funds will be expended to provide further information on data DCD will need for ARRA reporting. However it is important to note, counties will not need to obtain data from child care providers receiving ARRA funds, nor will counties be required to track or submit significant information regarding ARRA expenditures for federal reporting purposes.** This will be completed by DCD. Division staff will determine each month which payments made within the designated 50 counties will be funded with ARRA. This will essentially be an invisible process to counties.

The only significant change in process is that DCD will need to move up the statewide closeout date for the Subsidized Child Care Reimbursement System (SCCRS) in order to have all information required to properly charge all CCDF ARRA expenditures while maintaining timely reimbursements to counties. Effective October 2009, the state close out date will be permanently moved to the 16<sup>th</sup> of each month instead of the 21<sup>st</sup> as it has been in the past.

### **Fund Source 65**

As directed in the September 10 memo, agencies are to code the one-time ARRA enabled funds to Fund Source 65. Fund Source 65 will only be used to support the need categories of the CCDF – employment, seeking employment, expanded seeking employment and education and expanded post-secondary education and job training for families. As counties enter new vouchers into the SCCRCS, client status codes “0” or “1” must be used to report new children served. This will allow increased accuracy for DCD in reporting ARRA expenditures. In addition, LPA child care staff will charge a \$1.00 food supplement to Fund Source 25 for all Fund Source 65 children as they do currently for eligible Fund Source 15 children. The purpose is to ensure that child care providers enrolled in the Child and Adult Care Food Program (CACFP) meet the 25% subsidy requirement.

Fund Source 65 expenditures will be shown separately on the monthly expenditure report provided by DCD to assist counties in tracking their expenditures of one-time funds.

### **Technical Assistance**

Division staff will continue to work with county child care staff by providing technical assistance in managing your allocation and expenditures.

Thank you for your cooperation as we work together to ensure that families benefit from services provided because of the new ARRA funds.

Attachment

Cc: Child Care Coordinators  
Subsidy Services Consultants  
NC Partnership for Children

**Counties Designated by DCD for ARRA Subsidized Child Care Payments in SFY 09-10**

ALAMANCE
ALLEGHANY
ANSON
BEAUFORT
BERTIE
BLADEN
BURKE
CALDWELL
CLEVELAND
COLUMBUS
CUMBERLAND
DAVIDSON
DURHAM
EDGECOMBE
FORSYTH
GASTON
GREENE
GUILFORD
HALIFAX
HARNETT
HERTFORD
IREDELL
JONES
LEE
LENOIR
MARTIN
MECKLENBURG
MITCHELL
NASH
NORTHAMPTON
PENDER
PERSON
PITT
RANDOLPH
RICHMOND
ROBESON
ROCKINGHAM
ROWAN
RUTHERFORD
SCOTLAND
STANLY
TYRRELL
VANCE
WAKE
WARREN
WASHINGTON
WAYNE
WILKES
WILSON
YANCEY