



North Carolina Department of Health and Human Services

Pat McCrory
Governor

Richard O. Brajer
Secretary

Pamela L. Shue, Director
Child Development and Early Education

May 3, 2016

Dear County Director of Social Services

Letter Number: SCCA DCDL 2016 - #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 for State Fiscal Year 2015-2016

In order for the Division of Child Development and Early Education (DCDEE) to close out State Fiscal Year (SFY) 2015-2016, May services month subsidy expenditures must be entered in the Subsidized Child Care Reimbursement System (SCCRS) by 5:00 p.m. on Monday, June 13, 2016. After counties complete their Part A Closeout, a delay in counties' close out automatically occurs. The 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.

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, Policy and Planning Consultant in the Subsidy Services Unit of the Division will contact the child care staff in the local purchasing agency 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.

www.ncdhhs.gov • www.ncchildcare.nc.gov

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Mailing Address: 2201 Mail Service Center • Raleigh, NC 27699-2200

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DCDEE may cover overspending amounts beyond counties' Non Smart Start direct services allocation; however, if the amount exceeds \$1,500, the counties should not assume the amount will be covered. The LPA staff must secure prior approval from DCDEE for amounts that exceed \$1,500. This is done by contacting Kim Miller at kim.miller@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 Sharon Marsalis, Budget Manager at Sharon.Marsalis@dhhs.nc.gov or 919-527-6513.

Sincerely,

A handwritten signature in black ink, appearing to read 'Pamela L. Shue', written over the word 'Sincerely'.

Pamela L. Shue, Ed. D.

cc: North Carolina Partnership for Children, Inc.