

Expenditures for July Services: \$71,208.15

Year-to-date expenditures: \$141,536.41 divided by two (2) months = \$70,768.21 x 12 = \$849,218.52 divided by \$773,841.00 = 1.0974 or 110% *spending coefficient through July*.

NOTE: During the summer months, the spending coefficient may be above 100% due to the increase in the hours of care from part-time to full-time for school-age children. When the school year resumes in the fall the spending coefficient should decrease.

It is important that local purchasing agencies spend subsidized child care funds in accordance with state or federal regulations. Improper payments are not eligible for reimbursement with state and federal funds and may require corrections in the Subsidized Child Care Reimbursement System. Any agency administering the Subsidized Child Care (SCC) Program must provide records of administration of the SCC Program upon request for review by staff of local, state, or federal agencies.

VIII. SERVICES SUPPORT FUNDING

A portion of a county's initial allocation is designated for services support. In addition, DCD may designate a portion of any **new** funds that become available for allocation from Child Care and Development Funds (CCDF) or State funds during the state fiscal year for services support. The maximum amount available for services support is 5% of the county's allocation or \$80,000, whichever amount is greater. If a county is reallocated funds during a fiscal year, a portion of the reallocated amount may not be designated for services support.

The use of a portion of the allocation for services support is an option a county may choose to exercise. Counties may choose to use their total allocation solely for the purchase of services, or a lesser amount may be used for services support with the remainder designated for the purchase of services. If a county chooses to reduce the amount of their services support, the DSS director must submit a written request to the Subsidy Services Section designating the amount to be used for the purchase of services. A revised funding authorization will be issued indicating the decrease in services support and the increase in funds to purchase services. The services support expenditures for June are paid for and reimbursed in July; therefore, each county's allocation covers services support provided during the service months of June through May. The DSS – 1571 system is used by the counties to report and claim reimbursement. However, if a local partnership allocates services support funds to an agency other than the local DSS, these funds are allocated through a contract and cover services support provided during the service months of July through June. These expenditures are reported and reimbursed using the Financial Status Report (FSR) form.

The services support funding does not have restrictions on use other than the funding may be used to support staff working only with the child care program, for purposes such as salaries, employee benefits, travel, training, computers, computer software, communication

and supplies. The DSS – 1571 is utilized to report costs that are incurred and paid during a month. Administrative (services support) costs must be reported based on the current system the county uses, that is, either direct charged or cost allocated. Other purchases, such as computers, computer software, and installation may be direct charged if the equipment is to be used by staff working solely with the child care program. Written requests must be submitted by the DSS director and approved by DCD and the DHHS Controller. Instructions and procedures concerning the DSS – 1571 and the request to direct charge equipment are found in the DSS Fiscal Manual. The website address for the DSS Fiscal Manual is <http://info.dhhs.state.nc.us/olm/manuals/oc/fsc/man/index.htm>.