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**JOHN H. CHAFEE FOSTER CARE PROGRAM FOR  
SUCCESSFUL TRANSITION TO ADULTHOOD**

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**State Project/Program: N. C. LINKS PROGRAM**

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**U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES  
ADMINISTRATION FOR CHILDREN AND FAMILIES**

**Federal Authorization:** Social Security Act, Title IV-E, Sections 471, 472, 475 and 477 as amended by P.L. 106-169, the Foster Care Independence Act of 1999 and P.L. 115-123, the Family First Prevention Services Act of 2018. Program instructions and procedures are outlined in ACYF-CB-PI-02-05

**N. C. Department of Health and Human Services  
Division of Social Services**

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**Address Confirmation Letters To:**

SFY 2021 audit confirmation reports for payments made to Counties, Local Management Entities (LMEs), Managed Care Organizations (MCOs), Boards of Education, Councils of Government, District Health Departments and DHSR Grant Subrecipients will be available by mid-October at the following web address: <https://www.ncdhhs.gov/about/administrative-offices/office-controller/audit-confirmation-reports> At this site, click on the link entitled “Audit Confirmation Reports (State Fiscal Year 2020-2021)”. Additionally, audit confirmation reports for Nongovernmental entities receiving financial assistance from DHHS are found at the same website except select “[Non-Governmental Audit Confirmation Reports \(State Fiscal Years 2019-2021\)](#)”.

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The auditor should **not** consider the Supplement to be “safe harbor” for identifying audit procedures to apply in a particular engagement, but the auditor should be prepared to justify departures from the suggested procedures. The auditor **can** consider the supplement a “safe harbor” for identification of compliance requirements to be tested if the auditor performs reasonable procedures to ensure that the requirements in the Supplement are current.

The grantor agency may elect to review audit working papers to determine that audit tests are adequate.

Auditors may request documentation of monitoring visits by the State Agencies.

**This compliance supplement must be used in conjunction with the OMB 2021 Compliance Supplement which will be issued in the summer. This includes “Part 3 - Compliance Requirements,” for the types that apply, “Part 6 - Internal Control,” and “Part 4 - Agency Program” requirements if the Agency issued guidance for a specific program. The OMB Compliance Supplement is Section A of the State Compliance Supplement.**

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### **I. PROGRAM OBJECTIVES**

To provide counties with flexible funding that will enable them to design programs:

1. to support all youth who have experienced foster care at age 14 or older in their transition to adulthood through transitional services such as assistance in obtaining a high school diploma and post-secondary education, career exploration, vocational training, job placement and retention, training and opportunities to practice daily living skills (such as financial literacy training and driving instruction), substance abuse prevention and preventive health activities (including smoking avoidance, nutrition education and pregnancy prevention);
2. to help children who have experienced foster care at age 14 or older achieve meaningful, permanent connections with a caring adult;
3. to help children who have experienced foster care at age 14 or older engage in age or developmentally appropriate activities, positive youth development, and experiential learning that reflects what their peers in intact families experience.
4. to provide financial, housing, counseling, employment, education and other appropriate support services to former foster care recipients between 18 and 21 years of age to complement their own efforts to achieve self-sufficiency and to assure that program participants recognize and accept their personal responsibility for preparing for and then making the transition from adolescence to adulthood; and,
5. to ensure children who are likely to remain in foster care until 18 years of age have regular, ongoing opportunities to engage in age or developmentally-appropriate activities.

### **II. PROGRAM PROCEDURES**

The State completes the annual CFS-101 that provides an estimate of annual funds. The Administration of Children and Families (ACF) awards funds to states depending upon available funds. These funds require a twenty-percent match which may consist of State funds or allowable in-kind match. Funds are allocated directly to the local county departments of social services (DSS) for operation of the county LINKS programs.

Eligible youth within the custody of local DSS are not required to make applications. Eligible youth who are not in the custody of the local DSS must sign the Services Information System Client Entry Form (DSS-5027). Funds are awarded to eligible applicants depending upon need and funding availability.

Additional LINKS funds are available to be reimbursed to counties, upon approval of the state LINKS coordinator. These funds may be used for transitional and housing services. County DSS submit invoices to the State LINKS Coordinator for direct payment.

LINKS funds may be used for a variety of independent living services for current and former foster youth as outlined in NC Division of Social child welfare policy manual which may be found at: <https://policies.ncdhhs.gov/divisional/social-services/child-welfare/policy-manuals>. LINKS Program sub-recipients are monitored by the NC State LINKS Program in accordance to the NC Local County Social Service Agencies Monitoring Plan, found at: [NC Local County Social Service Agencies Monitoring Plan](#) .

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**III. COMPLIANCE REQUIREMENTS**

Noted below in the following matrix are the types of compliance requirements that are applicable to the federal program. These Types are determined by the federal agency, noted as “Y,” on the “Matrix of Compliance Requirements” located in Part 2 of the OMB 2021 Compliance Supplement; however, the State Agency may have added the Type and this is noted by “Y.” If the State determines that the federal requirement does not apply at the local level or if the State modifies the federal requirements, this is noted in the supplement under the type of compliance requirement. If the federal and/or State agencies have determined that the type is not applicable, it is noted by “N.”

If the Matrix indicates “Y,” the auditor must determine if a particular type of compliance requirement has a direct and material effect on the federal program for the auditee. For each such compliance requirement subject to the audit, the auditor must use the OMB 2021 Compliance Supplement, Part 3 (which includes generic details about each compliance requirement other than Special Tests and Provisions) and Part 4 (which includes any program-specific requirements) to perform the audit.

If there is no program listed on the “Matrix” in Part 2 or Part 4, the State has determined the Type that is applicable. If a Type is determined to be direct and material, the auditor should refer to the requirements found in Part 3 and listed in this supplement.

CC	A	B	C	E	F	G	H	I	J	L	M	N
Cross cutting	Activities Allowed or Unallowed	Allowable Costs/Cost Principles	Cash Management	Eligibility	Equipment/ Real Property Management	Matching, Level of Effort, Earmarking	Period Of Performance	Procurement Suspension & Debarment	Program Income	Reporting	Subrecipient Monitoring	Special Tests and Provisions
Y	Y	Y	N	Y	Y	N	Y	Y	N	Y	Y	N

**Crosscutting Requirements**

The compliance requirements in the Division of Social Services “Crosscutting Requirements” in Section D (Supplement #DSS-0) are applicable to this grant.

**A. ACTIVITIES ALLOWED OR UNALLOWED**

All activities must be reasonably connected with the goal of assisting eligible youth in transitioning to adulthood. Justification for use of funds for individual youth shall be documented in the case record. The case plan shall be based on an assessment of the youth’s strengths and needs, the goals to be achieved and the youth’s responsibilities in achieving goals. Activities in the case plan may include but are not limited to: assistance in obtaining a high school diploma, career exploration, vocational training, job placement and retention, training in daily living skills, training in budgeting and financial management skills, substance abuse prevention and preventive health

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activities (including smoking avoidance, nutrition education and pregnancy prevention).

All funding for housing expenses are administered by the State N.C. LINKS Coordinator. Funds allocated to county DSS shall not be expended on room or board.

### **Suggested Audit Procedures**

1. Determine that expenditures for housing (rent, rent deposits, or payment for room and board arrangements) were not made for any youth under the age of 18 or for any young adult who was not in custody on his or her 18<sup>th</sup> birthday.
2. Review documentation in case files of youth participating in the program. Determine if the assessment and documentation of need justify expenditures from allocated LINKS funds. The assessment should be summarized in the case plan. For youth between the age of 14 and 18 the assessment and plan should also be referenced in the court report.
3. Assure that the plan documents the youth's specific agreement to accept part of the direct responsibility for successful completion of the plan.

## **B. ALLOWABLE COSTS/COST PRINCIPLES**

Funds may be used for purchase of goods or services, salary costs, program expenditures, or contracted services on behalf of eligible youth based on the agency plan or individual service plan. Maximum flexibility and creativity is encouraged within the limited guidelines set forth under E. (Eligibility).

All grantees that expend State funds (including federal funds passed through the N. C. Department of Health and Human Services) are required to comply with the cost principles described in the N. C. Administrative Code at 09 NCAC 03M .0201.

## **E. ELIGIBILITY**

1. Current foster youth ages 14-21 and youth who were in foster care after age 14 but are not yet 21 are eligible for services and assistance funded through the LINKS program allocation. Eligible youth must be citizens or qualified aliens and may not have more than \$10,000 in personal reserves. Eligible youth and young adults who were adopted or legally emancipated also remain eligible for services until their 21<sup>st</sup> birthday, as do youth and young adults who are no longer in DSS custody or placement authority.
2. Youth who are no longer in custody must sign the form DSS-5027 form for LINKS services. Minors or their parent/guardian are also allowed to sign the form for LINKS services.
3. In order to qualify for housing funds, the youth must have been in DSS foster care on his or her 18<sup>th</sup> birthday. This means that the youth was in the custody of the DSS and resided in foster care or with a relative other than the removal home at the age of 18.

### **Suggested audit procedures:**

1. Verify age of all youth for whom program funds are being used and that beneficiaries are/were in foster care after their 14<sup>th</sup> and before their 21<sup>st</sup> birthday.
2. Verify that costs charged to LINKS funds were specifically directed at assisting the youth to gain the skills and resources needed to become self-monitoring and self-sufficient.

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3. Determine if any young adults in the county are receiving LINKS Housing Assistance. If so, determine whether the person receiving housing assistance was in DSS custody on their 18<sup>th</sup> birthday.

### **F. EQUIPMENT AND REAL PROPERTY MANAGEMENT**

Equipment purchased for the LINKS program using LINKS funds shall only be used by the program. An equipment inventory shall be maintained locally and a copy of a list of all equipment purchased with program funds shall be attached to the annual cost report. If any equipment is replaced, the old equipment should be stored until written disposition instructions are provided.

Real Property Management is not applicable to this grant.

### **G. MATCHING, LEVEL OF EFFORT AND EARMARKING**

The State is responsible for certifying a 20% in-kind match for the grant by documenting that the required amount was spent on the State portion of the foster care board rate on behalf of applicants participating in Foster Care 18 to 21.

This requirement has not been passed to the county departments of social services; therefore, additional testing is not required.

### **H. PERIOD OF PERFORMANCE**

Federal grants are provided to the State for the Federal Fiscal Year October 1 through September 30. Funds are awarded to subrecipients on the State Fiscal Year July 1 through June 30.

### **I. PROCUREMENT SUSPENSION AND DEBARMENT**

#### **PROCUREMENT**

All grantees that expend federal funds (received either directly from a federal agency or passed through the N. C. Department of Health and Human Services) are required to conform to federal agency codifications of the grants management common rule accessible on the Internet at <http://www.whitehouse.gov/omb/>.

All grantees that expend State funds (including federal funds passed through the N. C. Department of Health and Human Services) are required to comply with the procurement standards described in the North Carolina General Statutes and the North Carolina Administrative Code, which are identified in the State of North Carolina

Agency Purchasing Manual accessible on the Internet at

<https://ncadmin.nc.gov/government-agencies/procurement/procurement-rules>.

Nongovernmental subrecipients shall maintain written Procurement policies that are followed in procuring the goods and services required to administer the program.

#### **SUSPENSION AND DEBARMENT**

This requirement has not been passed to the county departments of social services and NC DHHS/DSS directly contracts with vendors; therefore, additional testing is not required.

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### **L. REPORTING**

The State submits an annual CSF-101 report and SF-425 to ACF. This requirement has not been passed to the subrecipients; therefore, additional testing is not required.

### **M. SUBRECIPIENT MONITORING**

LINKS Program sub-recipients are monitored by the NC State LINKS Program in accordance to the NC Local County Social Service agencies Monitoring Plan, found at: [NC Local County Social Service Agencies Monitoring Plan](#).

Counties may use LINKS funds to contract with subrecipients to perform all or part of LINKS services. Counties are responsible for assuring that contractors meet the Federal and State requirements for service delivery, reporting, and outcome measurements.