



**Report on
Onondaga County Adoption Assistance Program
May 2025
By Onondaga County Comptroller Martin D. Masterpole**

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SECTION I

Background and Executive Summary

The New York State Office of Children and Family Services (OCFS) oversees New York State's child welfare system, including the Adoption Subsidy Program (Program). The purpose of the program is to locate and maintain stable and permanent alternative homes for hard-to-place and handicapped foster children, thus preventing long, inappropriate stays in foster care. The OCFS Adoption Services Bureau oversees the activities of the 58 county social services districts, including the Onondaga County Department of Children and Family Services' Adoption Assistance Unit (OCAAU), administering the Program.

New York State Social Services Law (18 CRR-NY 421.24) provides for adoption subsidy payments to adoptive parents of handicapped or hard-to-place children. These payments assist adoptive parents in the care and support of the adopted children, many of whom have varied and often costly needs. To be eligible for adoption subsidy payments, the adoptive parent(s) must enter into an adoption subsidy agreement (agreement) with a local social services district (District) or a voluntary authorized agency. The agreement contains Program eligibility criteria, medical documentation, and historical information to support the child is handicapped or hard-to-place with needs or circumstances which may be a barrier to placement or adoption without financial assistance.

The amount of the monthly subsidy payment depends on whether the child's handicap and/or placement history is classified as a basic, special, or exceptional needs level. OCFS periodically sets maximum state aid rates (MSARs) for adoption subsidy payments. The OCAAU sets payment rates within these guidelines. The subsidy payments continue until the child's 21st birthday unless the adoptive parent is no longer legally responsible for the support of the child, or is no longer providing any support to the child. In addition to monthly subsidy payments, the Program provides for a one-time payment of up to \$2,000 per adopted child for non-recurring expenses involved in the adoption process, such as legal and medical costs.

If the adoption assistance subsidy is approved by New York State as Title IV-E eligible, the Federal Medical Assistance Program (FMAP) percentage or Federal Financial Participation (FFP) rate is 50 percent. The remaining 50 percent is funded by New York State at 31 percent and the local district share at 19 percent. For Onondaga County, non-IV-E children (in custody of the local commissioner of the social services district) the New York State share of the adoption subsidy is 62 percent and the local district share is 38 percent.

The Single Audit Report for each of the years 2011-2015 reported findings of non-compliance with federal eligibility requirements in accordance with the Uniform Guidance in respect to Adoption Assistance CFDA 93.659. This audit focused primarily on state and locally funded cases.

In the past we have found the physical files to be very disorganized, lost or not having all of the proper backup. We wanted to note that beginning in early 2021, the FE Unit started utilizing the Adoption Subsidy Eligibility Documentation File – File Template (OCFS-4401; a strict state

physical folder organizational policy and they have been adhering to this). The physical folders for the cases we tested were very organized and put together which made testing substantially easier.

Executive Summary of Findings and Recommendations

Over the course of the audit we found the following:

- Physical files were lacking specific documents
- Physical files were missing proper medical documentation to prove ongoing handicap
- Some payment codes changed for incorrect dates around child's birthday

Our high level recommendations include:

- *Recommendation: We recommend administration institute procedures to assure that each case file contains all required documentation to accurately process each case.*
- *Recommendation: We recommend supervisors pay attention to detail on all cases to ensure everything is filled out properly and each file consistently has the proper information.*
- *Recommendation: We recommend administration institute procedures to assure that all payments are made accurately.*
- *Recommendation: We recommend administration review all paperwork to ensure it is complete, consistent and filled out properly.*

SECTION II

SCOPE AND METHODOLOGY

Scope:

The purpose of our audit was to perform testing procedures on non-federal participating (NFP) Adoption Subsidy Cases and any new (2024) cases to determine if adoption subsidy payments to adoptive parents were supported and in compliance with governing regulations.

A selection of 40 adoption subsidy cases was chosen for testing from the adoption subsidy composite rolls in BICS for the period January 1, 2024 through December 31, 2024.

Our objectives were to:

- Determine if established internal control policies and procedures related to the Onondaga County Department of Children and Family Services' Adoption Assistance Unit are in place and operating effectively.
- Ensure recipients' cases are coded correctly to receive the appropriate amount of aid and lessen the impact on local dollars.
- Review specific areas which came to our attention during the course of the engagement.
- Provide and assist management and those charged with governance and oversight with information and recommendations to improve internal controls and overall efficiency and program performance.

Methodology:

In order to complete our objective we:

- Interviewed management and staff responsible for the administration of the Adoption Assistance program.
- Reviewed directives, policies and procedures of the department pertaining to the Adoption Assistance program to ascertain they are operating effectively to ensure appropriate funding is received.
- Analyzed records and data to ensure recipients were properly coded in the Welfare Management System (WMS) and BICS to ensure correct funding.
- Reviewed adoption assistance recipient records and files.
- Sent draft recommendations to management with an offer to meet for discussion and their input. Management declined and provided a written response, Section V herein.
- Finalized recommendations and included them in this report

SECTION III

FINDINGS AND RECOMMENDATIONS

Abbreviations:

LOD – Level of Difficulty (depends on many factors)

WMS – Welfare Management System

BICS – Benefit Issuance Control System

HTP – Hard to Place – a factor that applies to prove special needs (paid till day before 18th or 21st birthday, depending on child Applicable or Non-applicable status)

H – Handicap – a factor that applies to prove special needs (child paid till day before 21)

NAC – Non-applicable child status (IF child is HTP, child is paid till day before 18th birthday)

A – Applicable child status (IF child is H, child is paid till day before 21st birthday)

Findings:

1. 1 out of the 40 selected for testing the child was HTP NAC, meaning they were to be paid till the day before their 18th birthday through code 02, then changed to code 08 as they did not continue to qualify for the federal adoption subsidy. The tested payment for period October 2024 period was correct. However, we found the child's 18th birthday was 12/26/2024, yet was paid through 12/31/2024, notes in the system changed from code 02 to code 08 on 1/1/2025. Overpayment to child \$227.82
2. In 1 of the 40 selected for testing the medical handicap explanation was for ADHD and PTSD, but the only physical medical documentation in the physical file was for asthma. We question all costs for 2024 in the amount of \$24,463.86.
3. In 4 of the 40 selected for testing there was missing paperwork from the physical file that would prove an ongoing handicap at the age of 18 years old to remain in the program. Total questioned costs were \$50,007.28.

Recommendations:

- *Recommendation:* *We recommend administration institute procedures to assure that each case file contains all required documentation to accurately process each case.*
- *Recommendation:* *We recommend supervisors pay attention to detail on all cases to ensure everything is filled out properly and each file consistently has the proper information.*
- *Recommendation:* *We recommend administration institute procedures to assure that all payments are made accurately.*
- *Recommendation:* *We recommend administration review all paperwork to ensure it is complete, consistent and filled out properly.*

<p style="text-align: center;">SECTION V MANAGEMENT RESPONSE</p>
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Below was received via email from Megan Rooney, Deputy Commissioner of the Department of Children and Family Services on 5/29/2024.

The Department of Children and Family Services management agrees with the findings, will reinforce existing policies and procedures, and make updates to current processes within the Department to ensure that all documents are properly retained and signed.