

Child Welfare Policy Manual

Questions & Answers

8.1 TITLE IV-E, Administrative Functions/Costs

1. Question: Is the cost of conducting criminal records checks for prospective foster and adoptive parents an allowable administrative cost under title IV-E?

Answer: The regulations at section 1356.60(c)(2) allow title IV-E agencies to claim costs associated with recruitment and licensing as administrative costs under title IV-E. Since the criminal records check provision is a condition of licensure or approval, costs associated with criminal records checks for prospective foster and adoptive parents are allowable under title IV-E when claimed pursuant to an approved cost allocation plan or methodology.

- **Source/Date:** Preamble to the Final Rule (65 FR 4020) (6/14/90); (12/17/2019)
- **Legal and Related References:** Social Security Act - section 479B; 45 CFR 1356.30 and 1356.60 (ACYF-CB-PA-90-01)

2. Question: Can a case assessment be considered an allowable administrative cost?

Answer: Yes, a case assessment is an allowable administrative cost in the context of case planning. Section 471(a)(16) of the Social Security Act (the Act) requires the title IV-E agency to develop a case plan as defined at section 475(1) of the Act. The development of and ongoing updates to the case plan are allowable costs pursuant to 45 CFR 1356.60(c)(2)(iv). A critical component of case planning is the worker's assessment of the child and family. A case assessment might consider information regarding psychological, developmental, behavioral and educational factors; explore underlying or disguised issues such as family violence or substance abuse; examine the child and the family's needs, strengths, resources and existing support systems; and explore whether it is safe for the child to remain in or return to the home. Furthermore, it could include information on the child's past history, current adjustment, direct observations, and family history.

Specialized assessments such as psychiatric, medical or educational assessments are medical or educational services, respectively, and are not, therefore, allowable under title IV-E (45 CFR 1356.60(c) and Child Welfare Policy Manual Section 8.1B). Time spent analyzing specialized assessments to inform the case plan, however, is allowable.

- **Source/Date:** June 27, 2003; (12/17/2019)
- **Legal and Related References:** Social Security Act - sections 471(a)(16), 475(1) and (5), and 479B; 45 CFR 1356.60(c); Child Welfare Policy Manual Section 8.1B

3. Question: May a title IV-E agency use title IV-E administrative funds for such items as beds or smoke detectors to help prospective foster family homes meet licensing standards?

Answer: Yes. A title IV-E agency may claim title IV-E administrative costs for items such as beds, cribs, and smoke detectors that are needed in order to license or approve a foster family home. These costs are closely related to foster family home recruitment, which is an example of an allowable title IV-E administrative cost in 45 CFR 1356.60. In many jurisdictions, there are not enough foster family homes to meet the needs of the children in foster care. Therefore, increasing the number of foster family homes through the allowable use of title IV-E administrative funds is appropriate.

Any such costs must be allocated through an approved cost allocation plan or methodology. Please note that under general appropriations law, the costs of construction and renovation are not allowable without specific affirmative authorization. Title IV-E does not have that affirmative authorization.

- **Source/Date:** 06/09/04; (12/17/2019)
- **Legal and Related References:** Social Security Act - sections 474 and 479B; 45 CFR 1356.60(c)(2)(vii)

4. Question: Are the costs of medical exams necessary for a prospective foster parent to obtain and retain a foster family home license or approval an allowable administrative cost under title IV-E?

Answer: Yes. 45 CFR 1356.60(c)(2)(vii) specifically identifies recruitment and licensing of foster family homes as an example of allowable administrative costs necessary for the administration of the foster care program. If medical exams are necessary for prospective foster parents to obtain or retain a foster family home license or approval, then these costs are allowable as they are directly related to the administration of the program.

Any such costs must be allocated through an approved cost allocation plan or methodology.

- **Source/Date:** 06/09/04; (12/17/2019)
- **Legal and Related References:** Social Security Act - sections 474 and 479B; 45 CFR 1356.60(c)(2)(vii)

5. Question: May a State that receives a request for an out-of-State home study from another State pursuant to section 471(a)(26) of the Social Security Act (the Act) claim title IV-E administrative costs to comply with the request?

Answer: Yes. The requirement in section 471(a)(26) of the Act for a State to conduct an out-of-State home study if requested by another State is a requirement of the State's title IV-E State plan. As such, the costs of performing the home study are 100% allocable to title IV-E

and do not have to be allocated to other benefiting programs.

- **Source/Date:** 04/24/07
- **Legal and Related References:** Social Security Act § sections 471(a)(26) and 474(a)(3)(E)

6. Question: May a title IV-E agency claim administrative costs on behalf of an otherwise eligible child for an entire month when the child is placed in a licensed or approved foster family home or child care institution for less than an entire month?

Answer: Yes. A title IV-E agency may claim administrative costs from the beginning of the month in which the child meets all eligibility criteria, if the criteria are met for the child at any point during that month. The title IV-E agency is not required to prorate administrative cost claims based on the number of days the child is placed in the foster family home or child care institution.

- **Source/Date:** 04/26/07; (12/17/2019)
- **Legal and Related References:** Social Security Act - sections 474(a)(3)(E) and 479B

7. Question: May a title IV-E agency claim title IV-E foster care administrative costs for the identification of sex trafficking and for associated case management as administration in accordance with sections 471(a)(9) and (34) of the Social Security Act (Act)?

Answer: Yes. Allowable costs for title IV-E administration under sections 471(a)(9) and (34) of the Act may be claimed on behalf of any child or youth in the placement, care or supervision of the title IV-E agency who is at-risk of becoming a sex trafficking victim or who is determined as a sex trafficking victim in accordance with section 471(a)(9) of the Act. This includes those individuals not removed from home; those who have run away from foster care and are under age 18 or such higher age elected under section 475(8) of the Act; and youth not in foster care who are receiving services under the Chafee Foster Care Program for Successful Transition to Adulthood (Chafee), and at the option of the agency, youth under age 26 who were or were never in foster care. In general, the title IV-E administrative costs that are allowable for this population of children and youth to implement these provisions are those necessary for the title IV-E agency to administer the title IV-E plan requirements in sections 471(a)(9) and 471(a)(34) of the Act. This consists of the following activities (or those closely related) that are title IV-E allowable as administration related to victims of sex trafficking beginning in federal fiscal year (FFY) 2015:

- Developing and implementing policies and procedures to identify, document in agency records, and determine appropriate services for victims of sex trafficking;

- Conducting sex trafficking screenings and documenting victims of sex trafficking in agency files;

- Determining appropriate services for individuals identified as such victims, including referrals to services; and
- Completing reports required for law enforcement and ACF of children or youth who the agency identifies as being a sex trafficking victim.

Title IV-E agencies may also claim allowable title IV-E administrative costs on behalf of any child missing from foster care for the purpose of administering section 471(a)(35) of the Act. This would include developing and implementing protocols to locate and assess children missing from foster care, including screening the child to identify if the child is a possible sex trafficking victim.

Since the title IV-E agency is not limited to performing the activities described above on behalf of individuals meeting title IV-E eligibility requirements, there is no need to apply a title IV-E foster care participation rate in allocating allowable administrative costs to the title IV-E foster care program.

Title IV-E funding may not be claimed for the costs of conducting investigations of allegations of sex trafficking or other forms of child abuse or neglect or for providing social services, such as counseling or treatment, to victims of sex trafficking or other children or youth.

- **Source/Date:** 8/26/15; (12/17/2019)
- **Legal and Related References:** Social Security Act - Sections 471(a)(9) and (34)