

Child Welfare Policy Manual

Questions & Answers

8.1A TITLE IV-E, Administrative Functions/Costs, Allowable Costs - Adoption Assistance Program

1. Question: What are the allowable administrative costs in the title IV-E Adoption Assistance Program?

Answer: The Social Security Act, at section 474(a)(3), permits title IV-E agencies to be reimbursed at a 50 percent matching rate for the costs of administrative activities as found necessary by the Secretary for the proper and efficient administration of the title IV-E plan.

45 CFR 1356.60(c), entitled "Federal matching funds for other State and local administrative expenditures for foster care and adoption assistance under title IV-E" interprets section 474(a)(3) of the Act. All of the sections of that regulatory section apply to the administrative expenditures of both the Foster Care and Adoption Assistance Programs.

In paragraph (1) of 45 CFR 1356.60(c), certain identified costs are deemed allowable administrative costs of the Adoption Assistance Program under title IV-E. Federal financial participation for these costs may not be claimed under any other section of Federal regulations or Federal program. They are: the determination and redetermination of eligibility; fair hearings and appeals; rate setting; and other costs directly related only to the administration of the adoption assistance program.

In addition, the following administrative costs are also considered to be directly related only to the administration of the Adoption Assistance Program, and are therefore also allowable under 45 CFR 1356.60(c)(1): grievance procedures; negotiation and review of adoption agreements; and post-placement management of subsidy payments.

The following are examples provided by 45 CFR 1356.60(c)(2) of allowable administrative costs considered necessary for the administration of the Adoption Assistance Program for which Federal financial participation may be claimed under title IV-E: recruitment of adoptive homes; placement of the child in the adoptive home; case reviews conducted during a specific preadoptive placement for children who are legally free for adoption; case management and supervision prior to a final decree of adoption; a proportionate share of related agency overhead; referral to services; and development of the case plan.

The following administrative costs are also considered to be necessary for the proper and efficient operation of the Adoption Assistance Program and are therefore allowable under 45 CFR 1356.60(c): home studies, and a proportionate share of the development and use of adoption exchanges.

Attention is also called to paragraph (3) of 45 CFR 1356.60(c) and 45 CFR 1356.60(b)(1)(ii) regarding restrictions on certain types of costs, i.e., social services and limitations on training costs for adoptive parents.

- **Source/Date:** ACYF-CB-PA-83-01 (10/1/80); (12/17/2019)
- **Legal and Related References:** Social Security Act - sections 473, 474, and 479B; 45 CFR 1356.60

2. Question: Under the Adoption Assistance Program, is Federal financial participation (FFP) for administrative costs associated with case review, case management, and supervision prior to a final decree of adoption available only for children in preadoptive placements?

Answer: Yes. Federal financial participation is available in the costs of the administration of the Adoption Assistance Program beginning when the title IV-E agency determines that: (1) an eligible child (section 473(a)) cannot or should not be returned to the home of his parents; (2) the goal for the child is adoption (section 473(c)(1)); and (3) the child has been determined to be a 'child with special needs' (section 473(c)).

In addition, the child must be legally free for adoption and that the goal of adoption must be documented in the case plan for the child and in the report of the periodic review. Case reviews, case management and supervision are allowable costs only when provided on behalf of a child who is already placed in a preadoptive home.

Costs under the Adoption Assistance Program must be directly related to the administration of the Adoption Assistance Program and to children for whom adoption is a definite plan, rather than just a long range goal which may not materialize. Therefore, the child must be in placement in a specific preadoptive home, rather than in a foster care placement where the goal is eventual adoptive placement.

- **Source/Date:** ACYF-CB-PIQ-85-06 (6/5/85); (12/17/2019)
- **Legal and Related References:** Social Security Act - sections 473 and 479B

3. Question: Can a title IV-E agency claim title IV-E administrative costs for activities performed on behalf of a child in a finalized adoption?

Answer: A title IV-E agency may claim Federal financial participation for activities performed on behalf of a child in a finalized adoption that are consistent with 45 CFR 1356.60(c) and the title IV-E agency's approved cost allocation plan or methodology. Under the title IV-E

adoption assistance program, a title IV-E agency may claim for administrative activities that occur post-finalization, such as fair hearings and appeals, management of the adoption subsidy, review and renegotiation of the adoption assistance agreement, referral to services, and case management performed to implement an adoption assistance agreement.

Furthermore, if the title IV-E agency determines that the adoptive placement is in jeopardy and demonstrates that the adopted child is a candidate for foster care, the title IV-E agency may claim allowable title IV-E administrative costs under the foster care program for activities performed on behalf of the child as a candidate.

- **Source/Date:** 8/16/02; (12/17/2019)
- **Legal and Related References:** Social Security Act - sections 474(a)(3)(B) and 479B; 45 CFR 1356.60(c); CWPM Sections 8.1A, 8.1B and 8.1D