

Child Welfare Policy Manual

Questions & Answers

3.3A INDEPENDENT LIVING, Fiscal, Administrative Costs

1. Question: May a State use funds under section 477 of the Social Security Act (the Act) for administrative costs and information system costs?

Answer: Yes. Section 477(d)(1) of the Act permits a State to use its Chafee allocation in a manner that is reasonably calculated to accomplish the purposes of the program. States, therefore, have flexibility in using their funds for administrative activities to assist former foster care youth and youth who are expected to age out of foster care in achieving self-sufficiency. This includes using Chafee funds for any information system development and operations cost that is consistent with the purposes in section 477(a) of the Act and to comply with any requirements promulgated under section 477(f) of the Act.

States should note, however, that pursuant to section 477(b)(3)(D) of the Act, Chafee funds may not be used to train foster parents, workers in group homes, and case managers in issues confronting adolescents. The statute provides that States must claim such training, to the extent allocable to title IV-E, as a title IV-E administrative cost (see Child Welfare Policy Manual Section 3.1H).

- **Source/Date:** 6/09/04
- **Legal and Related References:** Sections 477(b)(3)(D) and 477(d)(1) of the Social Security Act, Child Welfare Policy Manual Section 3.1H.