

Child Welfare Policy Manual

Questions & Answers

3.3E INDEPENDENT LIVING, Fiscal, Use of Funds

1. Question: Does the Chafee legislation allow States to develop and utilize trust funds for youth?

Answer: Yes. Trust funds are consistent with the purposes of the legislation at sections 477(a)(1) and (5), which provide for financial, as well as other appropriate support and services designed to help youth transition to adulthood. If a State chooses to establish a trust fund program for youth, the State must describe the design and delivery of the trust fund program in the State's CFCIP plan as required by section 477(b)(2)(A).

- **Source/Date:** 7/25/02
- **Legal and Related References:** Social Security Act - section 477

2. Question: Can Chafee funds be used to rehabilitate buildings to house youth that are in the independent living program?

Answer: According to a long-standing Comptroller General decision, appropriated funds ordinarily may not be used for improvements to private property unless specifically authorized by law. While major improvements are not permitted, minor renovation is allowed.

Major improvements involve structural changes to the foundation, roof, floor, exterior or load-bearing walls of a facility, or the extension of a facility to increase its floor area. Major improvements also include any extensive alteration of a facility such as to significantly change its function and purpose, even if such renovation does not include any structural change.

Minor renovation may include window replacements, the addition of a wall, painting, plumbing and other minor repairs. Criteria for minor repairs include: improvements which are determined to be incidental to and essential for the effective accomplishment of the authorized purposes of the appropriations, the expenditures are in reasonable amounts, the improvements are used for the principal benefit of the Government, and the interests of the Government are fully protected.

The ACF Regional Office can provide additional guidance to States in this area.

- **Source/Date:** 7/25/02

- **Legal and Related References:** Social Security Act - section 477, Controller General Decision B-141832, DHHS Grants Policy Directives (GPD) 3.04

3. Question: If a State currently offers a program for homeless youth, can the Chafee Foster Care Independence Program (CFCIP) be used to fund such a program?

Answer: The statute at section 477(d)(2) of the Social Security Act requires that CFCIP funds be used to supplement and not supplant any funds that are available for the same general purposes in the State. However, two examples of how Chafee funds might be used are: 1) CFCIP funds could expand an existing homeless youth program by funding additional beds for youth who have aged out of foster care and are thereby eligible for the program; or 2) CFCIP funds could fund an existing homeless youth program, for those who are Chafee eligible, so long as the non-supplantation requirement is met. Any funds diverted from this particular housing program must be used for services and programs that meet the purposes of the CFCIP program at section 477(a) of the Act.

- **Source/Date:** 7/25/02
- **Legal and Related References:** Social Security Act - section 477(d)(2)

4. Question: May Chafee funds be used to pay per diem, travel expenses, childcare, and compensation for external partners, including youth with lived experience with the child welfare system, to provide input on issues relating to services and supports for youth in transition from foster care as part of the development of the Chafee program within the five-year Child and Family Services Plan (CFSP) and Annual Progress and Services Reports (APSR)?

Answer: Yes. These funds may be used consistent with the program purposes (see section 477 of the Social Security Act and 45 CFR 1357.15(a)(2)(i) and (l)(3)(iv)). This includes paying for those costs for external partners who are engaged with the agency on the development of the Chafee program, CFSP/APSR, participation in preparatory calls, webinars, or post-event activities. All costs must be consistent with the cost principles of 2 CFR Part 200 and 45 CFR Part 75, including that the costs must be reasonable and documented. See 45 CFR 75.459 and 2 CFR 200.459.

- **Source/Date:** 11/29/2023
- **Legal and Related References:** Social Security Act – section 477, 45 CFR 1357.15(a)(2) and (l), CWPM §5.1 Q/A # 3, §8.1B Q/A #9, CWPM §7.4 Q/A # 8, 45 CFR 75.459 and 2 CFR 200.459.