

# Child Welfare Policy Manual

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## Questions & Answers

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### 8.1B TITLE IV-E, Administrative Functions/Costs, Allowable Costs - Foster Care Maintenance Payments Program

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**1. Question: Please clarify those pre-placement administrative activities that are considered a service and, therefore, not claimable under title IV-E from those that are allowable administrative functions.**

**Answer:** A title IV-E agency may claim for any allowable title IV-E administrative cost that comports with or is closely related to one of the listed activities at 45 CFR 1356.60(c)(2). Allowable costs related to pre-placement activities may include the determination of eligibility, preparation for placement, placement and referral costs before the child is placed in foster care.

The administrative costs of referral to service providers (45 CFR 1356.60(c)(2)(i)) are only for those referrals specifically designed to further the statutory goal of reasonable efforts to prevent removal in section 471(a)(15)(B)(i) of the Social Security Act. Referral to services is limited to the activities of the caseworker and the caseworker's supervisor and does not include investigations or physical or mental examinations or evaluations. The costs of services related to the prevention of placement are not foster care administrative costs and are therefore not reimbursable. A title IV-E agency's cost allocation plan or methodology must identify the costs that are allocated and claimed under the program.

Costs that are not reimbursable (under 45 CFR 1356.60(c)(3)) include those for social services which provide counseling or other treatment to the child, his family, or foster family to remedy home conditions, personal problems or behaviors. Examples of non-reimbursable services include counseling, homemaker or housing services and assisting in reuniting families. These services are not reimbursable regardless of the credentials or training of the provider, e.g., these services provided by a caseworker are unallowable. Further, they are not reimbursable regardless of whether they are provided on a single occasion or as part of a series.

Allowable costs associated with preparation for and participation in judicial determinations (45 CFR 1356.60(c)(2)(ii)) are limited to the preparation of reports to the court and participation in court proceedings by State or local agency personnel.

- **Source/Date:** ACYF-CB-PA-85-01 (11/18/85); ACYF-CB-PA-87-05 (10/22/87); 7/7/2006; (12/17/2019)

- **Legal and Related References:** Social Security Act - sections 471(a)(15)(B)(i), 474 and 479B; 45 CFR Part 1356.60

**2. Question: May we claim Federal financial participation (FFP) for the cost of conducting title IV-E eligibility determinations even for children who are not found to be title IV-E eligible?**

**Answer:** Yes. The determination and redetermination of eligibility (45 CFR 1356.60(c)(l)) are considered necessary administrative activities in the title IV-E foster care program. Therefore, a title IV-E agency may claim reimbursement for the costs of all determinations and redeterminations of eligibility for title IV-E foster care. These may include negative as well as positive eligibility determinations.

Reimbursement for eligibility determination activities is limited to costs involved in the actual verification and documentation of eligibility and may not include the costs of other activities such as judicial determinations, placement of the child or periodic court or administrative reviews. The activities of staff whose responsibilities extend beyond eligibility determination for title IV-E must be allocated to the appropriate program; e.g., foster care maintenance, food stamps, or title XIX medical assistance.

- **Source/Date:** ACYF-CB-PA-87-05 (10/22/87); (12/17/2019)
- **Legal and Related References:** Social Security Act - sections 474 and 479B; 45 CFR Part 1356.60; DHHS Grant Appeals Board Decision No. 844

**3. Question: May the title IV-E agency claim administrative costs for the child of a minor parent?**

**Answer:** When a child is placed with his/her minor parent, no administrative costs may be claimed on her/his behalf because s/he is not eligible for nor a recipient of title IV-E foster care maintenance payments. The title IV-E agency is merely increasing the amount of the title IV-E foster care maintenance payment made on behalf of the eligible minor parent to accommodate the board and care of the child. In situations where the eligibility of the minor parent and his/her infant is determined separately and the two are placed separately, the title IV-E agency may claim administrative costs for the child because s/he is eligible for and receiving title IV-E maintenance payments in her/his own right.

- **Source/Date:** Questions and Answers on the Final Rule (65 FR 4020) (1/25/00); (12/17/2019)
- **Legal and Related References:** Social Security Act - sections 475(4) and 479B

**4. Question: Can administrative costs for processing and management of foster child health care services be claimed against title IV-E?**

**Answer:** No. In accordance with sections 474(a)(3) and 475(4) of the Social Security Act and 45 CFR 1356.60(c), administrative costs for the processing and management of health care services for foster children under title IV-E are not allowable.

Section 475(4) defines "foster care maintenance payments" as payments to cover the cost of (and the cost of providing) food, clothing, shelter, daily supervision, school supplies, and a child's personal travel to the child's home for visitation. The provision of health care services is not included in that definition and therefore is not an allowable cost item under title IV-E. Allowable administrative costs are only those administrative expenditures necessary for the proper and efficient administration of the title IV-E plan.

- **Source/Date:** ACYF-CB-PIQ-85-05 (4/12/85); (12/17/2019)
- **Legal and Related References:** Social Security Act - sections 474(a)(3), 475(4), and 479B; 45 CFR 1356.60(c)

**5. Question: Is it permissible for a title IV-E agency to identify court activities related to title IV-E eligible children and claim title IV-E reimbursement on behalf of the court? Such activities might include docketing of the cases, the time of court staff assigned to review "reasonable efforts" made by the title IV-E agency, clerical support, the time spent by referees with title IV-E cases, and expenses such as supplies, space and utilities.**

**Answer:** No. Section 474(a)(3) of the Social Security Act (the Act) provides for Federal matching for administrative expenditures; section 471(a)(2) of the Act specifies that the responsible title IV-E agency shall administer the title IV-E plan. Accordingly, a title IV-E agency may not claim reimbursement for administrative costs under title IV-E for activities being performed by the court.

With respect to the activities described in the question, docketing of cases is a required court activity, not a title IV-E agency function. The time of court staff assigned to review "reasonable efforts" made by the title IV-E agency is likewise a required court activity, and not a title IV-E agency function. In this regard, the title IV-E agency is required by section 471(a)(15) of the Act to provide "reasonable efforts" prior to the placement of a child in foster care to eliminate the need for removal of the child from his home and, when removal is necessary, to provide "reasonable efforts" to make it possible for the child to return home or to make and finalize an alternate permanent living arrangement for the child. The court is required by section 472(a)(2)(A)(ii) of the Act to determine if the title IV-E agency, in fact, has made "reasonable efforts" to keep the child in his home.

Thus, activity related to the "reasonable efforts" determination to be made by the court would not be considered an administrative cost that is reimbursable by the title IV-E agency on behalf of the court. Associated clerical and overhead expenses are similarly unallowable.

- **Source/Date:** ACYF-CB-PIQ-92-03 (7/17/92); (12/17/2019)

- **Legal and Related References:** Social Security Act - sections 471, 472, 474, and 479B

**6. Question: How should the costs of foster parent insurance be claimed, as maintenance payments or as administrative expenditures subject to reimbursement? What types of insurance costs are allowable? Is liability insurance sometimes considered a service? What should be included in the definition of "liability insurance"?**

**Answer:** Section 475(4) of the Social Security Act, by including "liability insurance with respect to a child" in the definition of foster care maintenance payments, gives title IV-E agencies the option of considering insurance for foster parents as a direct foster care maintenance cost or as an administrative cost of the foster care maintenance program under title IV-E.

Some title IV-E agencies include payment for insurance coverage in the monthly foster care payment to foster parents; others provide the protection through a group insurance policy or through the title IV-E agency's self-insuring procedures. Using self-insurance, the title IV-E agency may be able to provide broad coverage at low cost.

Foster parent insurance should include coverage of damages by a foster child to the home or property of the foster parents and of harm done by a foster child to another party.

- **Source/Date:** ACYF-CB-PIQ-82-04 (1/29/82); (12/17/2019)
- **Legal and Related References:** Social Security Act - sections 475(4) and 479B

**7. Question: If foster parent insurance is an administrative cost when purchased by the title IV-E agency, then the title IV-E agency receives a 50% match rather than FMAP. Doesn't this provide a disincentive for the title IV-E agency to take responsibility for insurance of foster parents and encourage the title IV-E agency to have the foster parents obtain their own insurance?**

**Answer:** Although, under title IV-E, Federal match may be lower for administrative costs than for maintenance costs, there is advantage to the title IV-E agency in assuming the overall responsibility for the protection for foster parents caring for children under the title IV-E agency's custody as a recruitment incentive. If the title IV-E agency chooses to use its self-insuring procedures, it may be able to provide a broad scope of coverage at relatively low cost. Foster parents are valuable resources to the agency, and the provision of protection against possible risks they face in providing care is a strong inducement to participate in the program.

- **Source/Date:** ACYF-CB-PIQ-82-04 (1/29/82); (12/17/2019)
- **Legal and Related References:** Social Security Act - sections 424(a) and (c), 475(4), 479B

**8. Question: There appears to be no agreement between insurers on the meaning of "liability insurance". Is the interpretation to include coverage of damages to the home or property of the foster parents as well as coverage for harm done by the child to another party, or accidental harm done by the foster parents to the child?**

**Answer:** The terminology may be misleading, because foster parents are interested in more than "liability insurance". The correct interpretation includes coverage of damages to the home or property of the foster parents, as well as liability for harm done by the child to another party. In addition, protection against suit for possible malpractice or situations such as alienation of affection are often realistic concerns of persons who care for the children of others.

Several States have responded to these concerns by providing coverage for foster parents under a "pooled" liability program which provides in effect a self-insurance for departments of State government. Other States have legislated or otherwise defined foster parents as employees or as persons acting on behalf of the State, thus providing protection to those persons for claims made against them as agents of the State. Some States have purchased insurance coverage for foster parents, although the policies available often do not cover all of the risks incurred.

- **Source/Date:** ACYF-CB-PIQ-82-04 (1/29/82)
- **Legal and Related References:** Social Security Act - sections 424(a) and (c), 475 (4)

**9. Question: 45 CFR 1355.33 (b) requires the use of "external partners" on the child and family services review team. Can these individuals be paid or compensated?**

**Answer:** In the regulation, we identified agencies/entities external to the State that participated in the development of the State's Child and Family Services plan as appropriate partners to include on the review team. The State may cover per diem and travel expenses for its external partners' participation to the extent that it so chooses. Moreover, the State may, pursuant to an approved cost allocation plan, allocate the cost of conducting a child and family services review, which may include compensation for the State's external partners, to title IV-E.

- **Source/Date:** Questions and Answers on the Final Rule (65 FR 4020) (1/25/00)
- **Legal and Related References:** 45 CFR 1355.33

**10. Question: Please provide some guidance with respect to the allowable costs for candidates for foster care.**

**Answer:** Pursuant to section 472(i) of the Social Security Act (the Act) a title IV-E agency may make claims for candidates for foster care for any allowable title IV-E administrative cost that comports with or is closely related to the activities listed at 45 CFR 1356.60(c)(2).

Consistent with the law, existing policy and DAB decisions (see DAB Decision Nos. 844 and 1428), pre-placement administrative functions for which title IV-E agencies wish to claim FFP must be "closely related" to the administrative cost items specified at 45 CFR 1356.60. Further, the administrative costs of referral to service providers (45 CFR 1356.60(c)(2)(i)) are for those referrals specifically designed to further the statutory goal of section 471(a)(15)(B)(i) of the Act (reasonable efforts to prevent removal) and are limited to the activities of agency staff in the referral process only.

Allowable costs of preparation for and participation in judicial determinations (45 CFR 1356.60(c)(2)(ii)) are limited to those costs related to preparation of reports to the court and participation in court proceedings by title IV-E agency personnel.

Title IV-E administrative costs claimed on behalf of foster care candidates are subject to the same limitations that are in place when such cost items are claimed for children in foster care. For example, investigating claims of child abuse/neglect, physical/mental examinations or evaluations, and completing case progress notes with regard to the delivery of services are not allowable title IV-E administrative functions. Nor do the actual services delivered to foster care candidates in compliance with the reasonable efforts requirements qualify as title IV-E administrative costs.

- **Source/Date:** ACYF-CB-PA-87-05 (10/22/87); ACYF-CB-PA-01-02 (7/3/01); 7/7/2006; (12/17/2019)
- **Legal and Related References:** Social Security Act - sections 471(a)(15)(B)(i), 472(i)(2), and 479B; 45 CFR 1356.60; Departmental Appeals Board Decision Nos. 844 and 1428; ACYF-CB-IM-06-02

**11. Question: May the title IV-E agency claim Federal financial participation (FFP) for the administrative costs of an otherwise title IV-E eligible child who is placed in an unlicensed or unapproved foster family home?**

**(Deleted 08/08/2024)**

**12. Question: May we claim Federal financial participation (FFP) for the administrative costs of otherwise title IV-E eligible children who are placed in public child care institutions that accommodate more than 25 children?**

**Answer:** In general, no. Section 472(c)(2) of the Social Security Act specifically excludes public child care institutions that accommodate more than 25 children from the definition of "child care institution" therein, making such facilities unallowable under title IV-E. Therefore, a child placed in a public child care institution that accommodates more than 25 children is not eligible for title IV-E, and thus the title IV-E agency may not claim administrative costs on

his/her behalf. Nor may the title IV-E agency consider such child to be a candidate for the purpose of claiming title IV-E administrative costs because such child has been removed from the home.

However, a title IV-E agency may claim administrative costs on behalf of an otherwise eligible child for the calendar month prior to the month the child moves from an unlicensed or unapproved foster family home or child care institution into one which is licensed or approved (see section 472(i)(1)(B) of the Social Security Act and section 8.1 of the Child Welfare Policy Manual). The title IV-E agency must claim any such administrative costs consistent with an approved cost allocation plan or methodology.

- **Source/Date:** ACYF-CB-PA-01-02 (7/3/01); 7/17/2006; (12/17/2019)
- **Legal and Related References:** Social Security Act - sections 472(c)(2), 472(i)(1)(B), and 479B; Section 8.1 of the Child Welfare Policy Manual

**13. Question: May we claim title IV-E administrative costs for eligible children who receive Supplemental Security Income (SSI)?**

**Answer:** Yes. An August 17, 1993 memorandum from the Acting Commissioner of the Administration on Children, Youth, and Families to the Administration for Children and Families Regional Administrators allowed a title IV-E agency to include children who are eligible for title IV-E but who are receiving SSI in lieu of title IV-E foster care maintenance payments when determining its administrative cost ratio. This practice was conceptualized by considering these children candidates for foster care. While the policy itself is sound, a child who is in foster care is not a candidate because s/he has already been removed from home. If a child is fully eligible for title IV-E a title IV-E agency's choice to fund that child's board and care through SSI rather than title IV-E does not negate that child's eligibility for title IV-E. The title IV-E agency may, therefore, claim Federal financial participation under title IV-E for title IV-E administrative functions performed on behalf of that child.

- **Source/Date:** ACYF-CB-PA-01-02 (7/3/01); (12/17/2019)
- **Legal and Related References:** Social Security Act - sections 471, 474, and 479B

**14. Question: May a State claim title IV-E administrative funds for the cost of conducting child and family services (CFS) reviews and title IV-E eligibility reviews?**

**Answer:** Yes, however, a State that seeks to charge the allowable portion of the costs of conducting a CFS review to title IV-E must first amend its cost allocation plan to include CFS review activities. The State must, pursuant to 45 CFR Part 75 Subpart E cost principles, allocate the costs of the CFS review across benefiting programs and may then charge the portion claimable under title IV-E at the 50 percent rate for Federal financial participation (FFP).

Conducting a child and family services review includes preparation for and completion of the statewide assessment, preparation for and the execution of the on-site portion of the review, and developing and implementing a program improvement plan.

All costs for a State to prepare and conduct a title IV-E eligibility review, as well as any required PIP development costs, are 100 percent allocable to title IV-E administration. The costs associated with approved PIP activities are also eligible for 100 percent allocation to title IV-E administration. A State should, however, separately allocate costs qualifying as title IV-E training (in accordance with all applicable regulations) for claiming at the 75 percent rate of FFP.

Note: This answer previously referenced OMB Circular A-87. 45 CFR Part 75 supersedes OMB Circular A-87 effective December 26, 2014 (79 FR 75871, Dec. 19, 2014).

- **Source/Date:** August 16, 2002 (revised 11/2/2016)
- **Legal and Related References:** Social Security Act section 474(a)(3); 45 CFR Part 75; 45 CFR 1355.20, 33, and 35; 79 FR 75871, Dec. 19, 2014; 81 FR 3022, Jan. 20, 2016.

**15. Question: Is the implementation and operation of a statewide quality assurance system an allowable title IV-E administrative cost?**

**Answer:** Pursuant to section 471(a)(7) of the Social Security Act (the Act), the State agency is required to monitor and conduct periodic evaluations of its title IV-E program. The operation of a statewide quality assurance system is one acceptable method for complying with section 471(a)(7) of the Act. A statewide quality assurance system will usually include the review of cases other than those that are title IV-E eligible and address issues, such as the effectiveness of the delivery of social services, that do not qualify as title IV-E administration. Only quality assurance system costs associated with title IV-E eligible cases and functions may be claimed for title IV-E reimbursement. A State may amend its cost allocation plan as necessary to include the implementation and operation of a quality assurance system and subsequently claim the allowable title IV-E portion as an administrative expense after allocating costs among all benefiting programs.

- **Source/Date:** 8/16/02
- **Legal and Related References:** Social Security Act -- Section 401(a)(7)

**16. Question: Are administrative costs allowable when a child has run away from a foster care placement?**

**Answer:** Yes, administrative costs are allowable when a child has run away from a foster care placement. The manual states, in section 8.3c.2, Question 3, that if a title IV-E agency retains placement and care responsibility for a child who has run away from a foster care



placement, the title IV-E agency must continue to perform title IV-E activities on behalf of such a child, including holding six-month periodic reviews and permanency hearings.

- **Source/Date:** 6/23/03; (12/17/2019)
- **Legal and Related References:** Social Security Act - sections 474 and 479B; 45 CFR 1356.60; Child Welfare Policy Manual Section 8.3c.2

**17. 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:** 6/23/03; (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

**18. Question: May a State claim title IV-E administrative funds for the legal services of a child in foster care or his/her parents, such as the parent or child's legal representation in court hearings?**

**(Deleted 01/07/2019)**

**19. Question: Does having an approved program improvement plan (PIP) enable a title IV-E agency to claim title IV-E administrative or training costs that otherwise would not be allowable under section 474(a)(3) of the Social Security Act?**

**Answer:** No. The costs of any administrative activities or training that a title IV-E agency undertakes as a result of a program improvement plan can only be claimed under title IV-E if the costs are allowable under the existing policies, regulations, and statute for claiming FFP.

The existence of an approved PIP does not make otherwise unallowable costs allowable under title IV-E.

- **Source/Date:** 7/7/2006; (12/17/2019)
- **Legal and Related References:** Social Security Act - sections 474 and 479B; 45 CFR 1357.10(b)

**20. Question: Title IV-E agencies are permitted to claim administrative costs for a child placed with a relative for the lesser of 12 months or the average length of time it takes for the title IV-E agency to license or approve a foster home as long as a foster family home application is pending. What happens if the title IV-E agency does not license or approve the relative's home during this period?**

**Answer:** The title IV-E agency must discontinue administrative cost claims on behalf of the child if the home is not licensed or approved during the timeframe specified in section 472(i)(1)(A) of the Social Security Act (i.e., at the end of the 12th month or the average time it takes the title IV-E agency to license/approve a foster family home, if less). Furthermore, the statute specifies that a title IV-E agency is permitted to claim administrative costs only if an application for licensure or approval of the home is pending.

- **Source/Date:** 8/7/2006; (12/17/2019)
- **Legal and Related References:** Social Security Act - sections 472(i)(1)(A) and 479B

**21. Question: What administrative costs may a title IV-E agency claim during the one-month period when a child moves from an unallowable facility to a licensed or approved foster family home or child care institution as described at section 472(i)(1)(B) of the Social Security Act?**

**Answer:** A title IV-E agency may claim any allowable title IV-E administrative cost that comports with 45 CFR 1356.60(c). There are no restrictions on the types of title IV-E administrative activities that title IV-E agency may claim during the one-month period, as long as they are consistent with the examples of allowable administrative costs stipulated in 45 CFR 1356.60(c)(2), such as case management and supervision, or activities that are closely related to those examples. As required in 1356.60(c), the title IV-E agency's cost allocation plan or methodology must identify the costs that are allocated and claimed under the program.

- **Source/Date:** 8/7/2006; (12/17/2019)
- **Legal and Related References:** Social Security Act - sections 472(i)(1)(B) and 479B; 45 CFR 1356.60(c)

**22. Question: Section 472(i)(1)(B) of the Social Security Act (the Act) permits title IV-E agencies to claim administrative costs for a calendar month prior to the child's move from an unallowable facility to a licensed or approved foster family home or child care**

**institution. Is a title IV-E agency limited in how many times it can apply section 472(i)(1)(B) for the same child?**

**Answer:** No. The title IV-E agency may claim up to one calendar month of administrative costs pursuant to section 472(i)(1)(B) of the Act each time a child transitions from a facility not eligible for title IV-E payments to a licensed or approved foster family home or child care institution.

- **Source/Date:** 8/7/2006; (12/17/2019)
- **Legal and Related References:** Social Security Act - sections 472(i)(1)(B) and 479B

**23. Question: May a title IV-E agency claim title IV-E administrative costs as permitted under section 472(i) of the Social Security Act (the Act) for a child placed in an unlicensed or unapproved relative home before completing the background check requirements in section 471(a)(20) of the Act?**

**Answer:** Yes. The title IV-E agency may claim title IV-E administrative costs in accordance with 472(i) of the Act absent the results of the relative's background checks, although the title IV-E agency must complete the background check requirements in section 471(a)(20) of the Act before the relative's home can be licensed or approved. The title IV-E agency may claim the administrative costs only during the period specified in the statute and while an application for foster family licensure or approval of the relative home is pending.

- **Source/Date:** 01/29/07; (12/17/2019)
- **Legal and Related References:** Social Security Act - sections 471(a)(20), 472(i), and 479B

**24. Question: May the State claim a title IV-E foster care maintenance payment for an allowable provider that covers the entire month if a child is temporarily absent for a portion of the month? For example, the child has run away, goes on a weekend home visit, or is hospitalized for medical treatment during some part of the month. (Moved to 8.3B)**

**(Deleted 04/28/2009)**

**25. Question: May a title IV-E agency claim administrative costs during the unlicensed period that a child is placed in a foster family home whose license has expired, but is in the process of renewal?**

**Answer:** Under certain circumstances, it is possible that the title IV-E agency may claim administrative costs in this situation. Please see section 8.3A.8c, question 11 of the Child Welfare Policy Manual in which we allow the title IV-E agency to claim administrative costs for the entire month when an otherwise eligible child has resided in a home for the entire

month, even if it is only licensed for a portion of the month. Furthermore, if the title IV-E agency's policies allow an expired license to remain in effect until renewed, the child placed in such a home is considered placed in a licensed foster family home, and the title IV-E agency may claim Federal Financial Participation (FFP) during that period. If, however, the title IV-E agency does not consider the expired license to remain in effect, the title IV-E agency may not claim FFP from the beginning of the month after the license expired until the beginning of the month in which the license is re-issued.

- **Source/Date:** 04/26/07; (12/17/2019)
- **Legal and Related References:** Social Security Act - sections 471(a)(10) and 479B; Child Welfare Policy Manual section 8.3A.8c, question 11

**26. Question: Section 472(i)(1)(B) of the Social Security Act (the Act) allows a title IV-E agency to claim Federal financial participation (FFP) for allowable administrative expenses for an otherwise eligible child for not more than one calendar month when the child moves from a facility not eligible for payments under title IV-E into a foster family home or child care institution licensed or approved. Please clarify for what time period administrative costs may be claimed during this transition.**

**Answer:** When an otherwise title IV-E eligible child moves from a facility not eligible for payments under title IV-E to a licensed or approved foster family home or child care institution, the title IV-E agency may claim administrative costs in accordance with section 472(i)(1)(B) of the Act: 1) for the full calendar month prior to the month in which the child moved; and 2) for the next full calendar month if the child meets all title IV-E eligibility criteria prior to the end of that month. This is consistent with our administrative cost claiming practice allowing a title IV-E agency to claim title IV-E administrative costs for an entire month if the child is eligible for a portion of the month.

- **Source/Date:** 11/14/07; (12/17/2019)
- **Legal and Related References:** Social Security Act - sections 472(i)(1)(B) and 479B

**27. Question: When a child in foster care lives in a foster family home or child care institution outside the child's school of origin may the cost of transporting the child to and from the school of origin be an allowable title IV-E administrative cost?**

**Answer:** Yes. As specified in the Child Welfare Policy Manual Section 8.1, Q&A #3, to be an allowable title IV-E administrative cost under title IV-E, a cost must be one of the examples listed in 45 CFR 1356.60(c)(2) or closely related to one of those examples. The costs described in the question are closely related to case management, which is listed as an example of an allowable administrative cost in 45 CFR 1356.60(c)(2). Any such costs must be allocated through an approved cost allocation plan or methodology.

- **Source/Date:** 12/31/07; (12/17/2019)

- **Legal and Related References:** Social Security Act - sections 474 and 479B; 45 CFR 1356.60(c)(2); Child Welfare Policy Manual section 8.1, Q&A #3

**28. Question: May a title IV-E agency claim the costs of a worker, a foster parent, or a volunteer transporting a child or his or her family to various appointments, such as medical or counseling, or to court hearings and case reviews as a title IV-E administrative cost?**

**Answer:** Yes, these transportation costs, regardless of who provides them, could reasonably be considered related to case management activities and necessary for the proper and efficient administration of the title IV-E plan and therefore an allowable administrative cost under 45 CFR 1356.60(c). Any such costs must be allocated through an approved cost allocation plan or methodology and the claims must be on behalf of a title IV-E eligible child or candidate for title IV-E foster care.

- **Source/Date:** 01/09/09; (12/17/2019)
- **Legal and Related References:** Social Security Act - sections 474 and 479B; 45 CFR 1356.60(c)

**29. Question: What are examples of allowable administrative costs for the title IV-E Guardianship Assistance Program?**

**Answer:** The Social Security Act, at section 474(a)(3)(E), permits title IV-E agencies with approved title IV-E plans to claim reimbursement at a 50 percent matching rate for the costs of administrative activities found necessary by the Secretary for the proper and efficient administration of the title IV-E plan. The Guardianship Assistance Program (GAP) is an optional portion of the title IV-E plan and provides permanency with relative guardians for a child who has been in title IV-E foster care living with that relative.

In general, the title IV-E administrative costs that are allowable for children in the GAP program are those necessary for the title IV-E agency to administer the GAP program and agreement. This includes overall development and operation of a title IV-E agency's GAP program beginning in the calendar quarter when the IV-E agency submits an approvable title IV-E GAP plan to the Children's Bureau. Other activities include: determining GAP eligibility, fair hearings and appeals, management of the GAP payment, review and re-negotiation of the GAP agreement, referral to services, and case management only for the IV-E agency to implement the GAP agreement. As such, the IV-E agency's administrative activities for a child in the GAP program are not as extensive as they are for a child in foster care that has not yet achieved permanency.

- **Source/Date:** 10/14/2011
- **Legal and Related References:** Social Security Act § section 474(a)(3)(E), PI-10-01, Child Welfare Policy Manual section 8.1A

**30. Question: May a title IV-E agency claim title IV-E administrative costs for attorneys to provide legal representation for the title IV-E agency, a candidate for title IV-E foster care or a title IV-E eligible child in foster care and the child's parents to prepare for and participate in all stages of foster care related legal proceedings?**

**Answer:** Yes. The statute at section 474(a)(3) of the Act and regulations at 45 CFR 1356.60(c) specify that Federal financial participation (FFP) is available at the rate of 50% for administrative expenditures necessary for the proper and efficient administration of the title IV-E plan. The title IV-E agency's representation in judicial determinations continues to be an allowable administrative cost.

Previous policy prohibited the agency from claiming title IV-E administrative costs for legal services provided by an attorney representing a child or parent. This policy is revised to allow the title IV-E agency to claim title IV-E administrative costs of independent legal representation by an attorney for a child who is a candidate for title IV-E foster care or in foster care and his/her parent to prepare for and participate in all stages of foster care legal proceedings, such as court hearings related to a child's removal from the home. These administrative costs of legal representation must be paid through the title IV-E agency. This change in policy will ensure that, among other things: reasonable efforts are made to prevent removal and finalize the permanency plan; and parents and youth are engaged in and complying with case plans.

- **Source/Date:** 1/7/2019
- **Legal and Related References:** 45 CFR 1356.60(c), section 474(a)(3)

**31. Question: Are title IV-E administrative costs for the legal representation provided by agency attorneys and for independent legal representation of children and parents in all stages of foster care related legal proceedings available to tribes and public agencies that have an agreement under section 472(a)(2)(B)(ii) of the Act?**

**Answer:** Yes. A title IV-E agency that has an agreement with a tribe or any other public agency under section 472(a)(2)(B)(ii) of the Act may claim title IV-E administrative costs for legal representation provided by tribal or public agency attorneys under the agreement in all stages of foster care related legal proceedings. The title IV-E agency may also claim administrative costs for independent legal representation provided by an attorney for a candidate for title IV-E foster care or a title IV-E eligible child in foster care who is served under the agreement, and the child's parents, to prepare for and participate in all stages of foster care related legal proceedings.

- **Source/Date:** 7/26/2019
- **Legal and Related References:** 45 CFR 1356.60(c), section 474(a)(3); CWPM Q/A 8.1B #30

**32. Question: Does the policy at CWPM 8.1B #30 allow a title IV-E agency to claim title IV-E administrative costs of paralegals, investigators, peer partners or social workers that support an attorney providing independent legal representation to a child who is a candidate for title IV-E foster care or is in title IV-E foster care, and his/her parent, to prepare for and participate in all stages of foster care legal proceedings, and for office support staff and overhead expenses?**

**Answer:** Yes, the policy permits a title IV-E agency to claim such title IV-E administrative costs to the extent that they are necessary to support an attorney in providing independent legal representation to prepare for and participate in all stages of foster care legal proceedings for candidates for title IV-E foster care, youth in foster care and his/her parents. The costs must be consistent with federal cost principles per 45 CFR Part 75 Subpart E. The title IV-E agency must allocate such costs so as to assure that the title IV-E program is charged its proportionate share of costs (See CWPM sections 8.1B and 8.1C).

- **Source/Date:** (4/20/20)
- **Legal and Related References:** 45 CFR 1356.60(c), section 474(a)(3)

**33. Question: Are costs to purchase equipment and administer fingerprinting allowable administrative costs under the title IV-E foster care program?**

**(Updated 12/11/2024)**

**Answer:** Yes. The regulations at 45 CFR 1356.60(c) specify that Federal financial participation is available at the rate of 50% for administrative expenditures necessary for the proper and efficient administration of the title IV-E plan. The administrative function specified at 45 CFR 1356.60(c)(2)(vii), recruitment and licensing of foster homes and institutions, includes activity necessary to document that prospective foster or adoptive parent meet applicable safety requirements as per 45 CFR 1356.30. Title IV-E agencies, as per Section 471(a)(20) of the Social Security Act (the Act), must have procedures for criminal background checks, including fingerprint-based criminal record checks of the national crime information databases for prospective foster and adoptive parents. As per Section 471(a)(20) (D) of the Act, these checks also apply to all of the adults working in a child care institution when title IV-E foster care maintenance payments are made on behalf of an eligible child placed in the institution.

The performance of fingerprinting is most commonly done by law enforcement agencies. In that instance the allowable costs paid by the title IV-E agency, with appropriate cost allocation, may be claimed as title IV-E administration at the 50% federal financial participation (FFP) rate. Alternatively, to the extent permitted under state or tribal law, a title IV-E agency may choose to perform the fingerprinting process. If so, the cost of necessary equipment, staff and facility overhead is allowable as title IV-E administrative costs at the

50% FFP rate. Costs of training staff in conducting fingerprinting may also be title IV-E claimed as training at the 75% FFP rate. These costs must meet applicable cost principles at 45 CFR Part 75 Subpart E and be allocated to all benefiting programs through an approved public assistance cost allocation plan (PACAP) for states and an approved cost allocation methodology (CAM) for tribes.

All title IV-E training activities and costs must additionally be included in the agency's training plan for title IV-B in accordance with 45 CFR 1356.60(b)(2). See 2 CFR 200.313, 45 CFR § 75.439 and 45 CFR Part 95 Subpart G for more information on costs of equipment.

- **Source/Date:** 7/30/2024 (Revised 12/11/2024)
- **Legal and Related References:** Social Security Act - sections 471 (a)(20) and 474(a)(3); 45 CFR 1356.30 and 1356.60(b)(2) and (c)(2); 45 CFR Part 75 Subpart E; 2 CFR §200.313, Interim Final Rule 2024-21984, Oct. 2, 2024.

### **34. Question: What is the definition of “relative” for the title IV-E program?**

**Answer:** Except where the title IV-E statute directly references the definition of relative under the former Aid to Families with Dependent Children (AFDC) program, title IV-E agencies have the discretion to define the term “relative” for the purposes of title IV-E.

Specifically, title IV-E agencies must use the definition of “specified relatives” as described in section 406(a) of the Social Security Act (the Act) as in effect on July 16, 1996, and implemented in 45 CFR 233.90(c)(1)(v) for the following title IV-E foster care provision:

- Title IV-E foster care maintenance payment eligibility in part depends on whether a child would have received AFDC in the home of a “specified relative” from which the child was removed in or for the month of removal if the child has lived with the “specified relative” within 6 months of the child’s removal (see section 472(a)(3)(A) of the Act and Child Welfare Policy Manual 8.3A.11, Q/A #4).

Title IV-E agencies have the discretion to define “relative” when it is not otherwise defined by the statute, including under the following provisions:

- A title IV-E agency may define "relative" for purposes of claiming administrative costs for a limited period of time while the relative’s application for licensure or approval as a foster family home is pending, in accordance with 472(i)(1)(A) of the Act. (The child must have been removed from the home of a “specified relative” in order to be eligible for this administrative cost claiming.)
- A title IV-E agency may define “relative” for purposes of waiving non-safety licensing standards for relatives permitted under section 471(a)(10)(D) of the Act.



- A title IV-E agency has discretion to define the term “relative” for the purposes of the Title IV-E Kinship Guardianship Assistance Program. This means that the Children’s Bureau will accept a title IV-E plan or amendment that contains a reasonable interpretation of a relative, including a plan that limits the term to include biological and legal familial ties or a plan that more broadly includes Tribal kin, extended family and friends, or other “fictive kin” (see section 471(a)(28), section 473(d) and ACYF-CB-PI-10-11).
- Under the relative notification requirements of section 471(a)(29) of the Act, the title IV-E agency has discretion to determine the scope of the terminology “all other adult relatives.” However, to the extent that it is practical, the Children’s Bureau suggests that the agency use the same definition of “relative” for the relative notification provision and the title IV-E kinship guardianship assistance program option (if the agency elects the guardianship option) (see ACYF-CB-PI-10-11).
- A title IV-E agency that elects to develop different licensing or approval standards for relative or kinship foster family homes and non-relative/non-kinship foster family homes under 45 CFR 1355.20 may define “relative” and “kin” when determining to whom they will apply the relative licensing and approval standards. The Children’s Bureau encourages agencies to define relative and kin in a way that is inclusive of tribal custom and adopt a broad definition of relative and kin for purposes of licensing and approval standards.
- A title IV-E agency that elects to claim federal financial participation for allowable administrative costs of independent legal representation provided to the relative caregiver of a child who is eligible for title IV-E foster care under 45 CFR 1356.60(c)(4)(ii), has discretion to define the term “relative.” For example, a title IV-E agency may define relative to include kin and “fictive-kin.” In exercising this discretion, the Children’s Bureau encourages title IV-E agencies to implement a definition of “relative” that includes a wide range of kinship relationships to support early identification of relatives and kin and to help remove barriers to kinship placements.

- **Source/Date:** 8/8/2024

- **Legal and Related References:** Social Security Act sections 471(a)(10), (28) and (29), 472(a)(3)(A) and (i)(1)(A); 473(d); 45 CFR 233.90(c)(1)(v), 1355.20, and 1356.60(c)(4)(ii); Child Welfare Policy Manual 8.3A.11, Q/A #4 and 8.1B, Q/A #11; ACYF-CB-PI-10-11