

Child Welfare Policy Manual

Questions & Answers

8.1E TITLE IV-E, Administrative Functions/Costs, Contracting

1. Question: Under the title IV-E foster care program may the title IV-E agency contract for some child foster care functions (administrative or otherwise) and still be eligible for Federal financial participation (FFP), as long as the title IV-E agency retains responsibility for the placement and care of the child?

Answer: Yes. Under title IV-E, such functions as training, recruiting or licensing of foster homes for which the title IV-E agency contracts with private agencies are defined as allowable costs for the proper administration of the title IV-E plan and may be claimed for purposes of Federal financial participation (FFP). Responsibility for the placement and care of the foster child, however, must remain with the title IV-E agency.

- **Source/Date:** ACYF-CB-PIQ-82-07 (8/25/82); (12/17/2019)
- **Legal and Related References:** Social Security Act - sections 474(a)(3)(B) and 479B

2. Question: Title IV-E administrative costs may be claimed for activities completed by child placing agencies. When an institution participates in case review, case supervision and case management, can an allocated amount of this time be charged to title IV-E administration? If not, what is the appropriate way of allocating these costs? When an institution participates in making a treatment plan and in daily recording of a child's progress, to what should these activities be allocated?

Answer: The first statement in the question is not entirely accurate. Title IV-E administrative costs may be claimed when the title IV-E agency contracts with child-placing agencies to perform foster care related administrative functions of the title IV-E agency.

45 CFR 1356.60(c)(2) includes in the list of allowable title IV-E administrative costs as those costs which are necessary for the administration of the foster care program.

Costs for these title IV-E administrative activities, when performed by a child-care institution, may be claimed by the title IV-E agency as title IV-E administrative costs if the title IV-E agency contracts with the institution to perform these activities. These costs may not also be claimed as part of the child's title IV-E maintenance payment.

The institution's provision of social services in relation to the child's personal or behavioral problems, counseling to ameliorate home conditions and daily recording of progress would not be considered administrative activities of the title IV-E foster care maintenance program

and the costs are not allowable for purposes of Federal financial participation (45 CFR 1356.60(c)(3)).

- **Source/Date:** ACYF-CB-PIQ-85-06 (6/5/85); (12/17/2019)
- **Legal and Related References:** Social Security Act - sections 474 and 479B; 45 CFR 1356.60(c)

3. Question: May title IV-E agencies contract with another organization, such as a community college to conduct training on behalf of the title IV-E agency? This training would be considered title IV-E agency training, not educational institution training?

Answer: Yes. Section 474(a)(3)(A) of the Social Security Act provides for Federal financial participation (FFP) in the costs of training personnel employed by or preparing for employment with the title IV-E agency. Section 474(a)(3)(B) covers other administrative expenditures, including the training of foster parents. It is within the discretion and flexibility of the title IV-E agency to determine the most efficacious and cost effective means of meeting the short and long term training needs of the title IV-E agencies.

- **Source/Date:** ACYF-CB-PIQ-82-17 (10/14/82); (12/17/2019)
- **Legal and Related References:** Social Security Act - sections 474(a) and 479B

4. Question: May title IV-E foster care maintenance payments flow through a for-profit entity to the foster care provider?

Answer: Yes. The Fair Access Foster Care Act of 2005 (Public Law 109-113), which took effect on November 22, 2005, amended section 472(b) of the Social Security Act to eliminate the prohibition against making foster care maintenance payments through a for-profit entity.

- **Source/Date:** 01/29/07
- **Legal and Related References:** Social Security Act, section 472; Public Law 109-113