

Child Welfare Policy Manual

Questions & Answers

8.1F TITLE IV-E, Administrative Functions/Costs, Match Requirements

1. Question: Can third-party in-kind services and donated funds be used as the State's share for matching purposes under title IV-E?

(Deleted 08/26/2002)

2. Question: May third-party in-kind services be used as the State's share for matching purposes under title IV-E?

Answer: No. Third party in-kind contributions may not be used by a State to meet Federal cost-sharing requirements under the title IV-E Foster Care and Adoption Assistance Program.

- **Source/Date:** ACYF-CB-PIQ-84-06 (10/22/84) / 8/16/02
- **Legal and Related References:** Social Security Act - section 474; 45 CFR Part 1356.60

3. Question: May donated funds be used as the State's share for matching purposes under title IV-E?

Answer: The Departmental Appeals Board concluded in Decision No. 1737 (July 14, 2000) that longstanding agency policy permitted States to claim Federal financial participation (FFP) for allowable costs paid with funds donated to support specific activities. The State must take into consideration the following conditions in order for a State to use donated funds to meet Federal cost-sharing requirements and claim FFP:

- 1) The donated funds must be used to pay for allowable title IV-E costs.
- 2) The donor may specify the activities to be supported with its donations but cannot be a sponsor or operator of a program to provide such activities.
- 3) The donor may specify the geographic area in which the activity is to be provided.

States should note, however, that only funds donated from a public source that satisfy the above criteria may be used to match title IV-E training expenditures pursuant to 45 CFR 1356.60(b)(3).

- **Source/Date:** 8/16/02
- **Legal and Related References:** Departmental Appeals Board Decision No. 1737 (July 14, 2000); 45 CFR Part 1356.60

4. Question: May unrestricted funds from a private source donated to the State that become part of the general pool of funds available to the State and are then appropriated by the State legislature be used to match title IV-E Federal Financial Participation (FFP) at the 75 percent rate for training?

Answer: Yes. Funds that are donated from a private source to the State's general funds or treasury and then appropriated by the State legislature to the State child welfare agency are considered public funds and, therefore, may be used as the State's share in claiming FFP for title IV-E training at the 75 percent rate. However, private funds that merely are transferred from the private source to the State cannot be used to match the State's training costs under title IV-E foster care or adoption assistance.

- **Source/Date:** April 6, 2006
- **Legal and Related References:** 45 CFR 235.66(a)

5. Question: The Departmental Appeals Board (DAB) found in Decision No. 1737 that States may claim FFP for allowable administrative costs paid with private funds that are donated to support specific activities. Does this finding mean that funds donated from a private source can be used to match Federal financial participation (FFP) at the 75% rate for title IV-E training?

Answer: No. DAB Decision No. 1737 did not address matching funds for training under section 474(a)(3)(A) and (B) of the Social Security Act (the Act). Therefore, ACF regulations and policy which permit only public funds to be used as match for title IV-E training at the 75% rate are applicable. As specified in the Child Welfare Policy Manual at Section 8.1F question 3, only public funds may be used to match title IV-E training expenditures. The regulations at 45 CFR 1356.60(b)(3) on Federal matching funds for State and local training for foster care and adoption assistance under title IV-E cross reference to 45 CFR 235.63 through 235.66(a) which, among other things, permit public funds to be used as match. The regulation does not cross reference to 45 CFR 235.66(b) which permit funds donated from private sources to be used as match.

- **Source/Date:** 8/7/2006
- **Legal and Related References:** 45 CFR 1356.60(b)(3); 45 CFR 235.66(a); DAB Decision No. 1737