

Child Welfare Policy Manual

Questions & Answers

8.2 TITLE IV-E, Adoption Assistance Program

1. Question: May a title IV-E agency suspend or reduce a title IV-E adoption assistance subsidy solely because the adoptive parents fail to renew or recertify the adoption assistance agreement?

Answer: No. It is incumbent upon adoptive parents to keep the title IV-E agency informed of material changes that might impact the parent's support, but a title IV-E agency cannot reduce or suspend adoption assistance solely because the adoptive parents fail to reply to the its request for information, renewal or recertification of the agreement. Once an eligible child is receiving title IV-E adoption assistance pursuant to an agreement, adoption assistance continues until either the adoptive parents concur to a change or one of the statutory conditions are met for termination of the assistance (section 473(a)(4) of the Social Security Act and Child Welfare Policy Manual Section 8.2B.9 Q/A #2). Therefore, suspensions or reductions in a title IV-E adoption assistance payment are not permitted without the concurrence of the adoptive parents under section 473(a)(3) of the Act unless the agency suspends the payment in accordance with Child Welfare Policy Manual Section 8.2A and 8.2D.

- **Source/Date:** 12/31/07
- **Legal and Related References:** Social Security Act - section 473(a)(3) and (4); Child Welfare Policy Manual section 8.2B.9 Q/A #2

2. Question: Does ACF use or rely upon statistical sampling and/or an extrapolated methodology for the purpose of calculating adoption assistance disallowances?

Answer: No. The regulations at 45 C.F.R. § 1356.71(c) and Program Instruction PI-02-06 (Jul. 12, 2002) only apply to the title IV-E foster care program. Program Announcement 84-02, which was issued on March 7, 1984, addressed this issue, but was withdrawn on September 24, 2001, and therefore has not applied to the title IV-E adoption assistance program since that date. ACF does not use statistical sampling or an extrapolated methodology as a basis for calculating the amount of a disallowance in the title IV-E adoption assistance program. As such, any adoption assistance disallowances taken by ACF are limited to the amount of actual identified unallowable cost claims without application of any findings to other claims that have not been reviewed.

- **Source/Date:** 2/21/2019

- **Legal and Related References:** 45 C.F.R. section 1356.71(c)

3. Question: Adoption Savings funds must not supplant any federal or non-federal funds used to provide a service under titles IV-B or IV-E per section 473(a)(8)(D)(ii) of the Social Security Act (Act). If these funds are used as the non-federal share of an optional title IV-E program, is it considered supplantation?

Answer:

We previously instructed that a title IV-E agency may not claim Adoption Savings expenditures for either federal reimbursement or as the non-federal share to secure federal financial participation as that would be considered supplantation. However, we are issuing this policy to allow a title IV-E agency to use Adoption Savings expenditures beginning in federal fiscal year (FFY) 2020 for the non-federal share of an optional title IV-E program (i.e., Guardianship Assistance, Prevention Services or Kinship Navigator) within the parameters described below. This does not constitute supplantation since these optional programs are not required as a condition of title IV-E plan approval. However, Adoption Savings expenditures may not take the place of the non-federal share currently being used for the optional title IV-E program. To document that a title IV-E agency is not supplanting the non-federal share for the optional title IV-E program with Adoption Savings expenditures, it must establish a base year amount of non-federal expenditures to maintain. The base year is always the FFY prior to the FFY in which the title IV-E agency begins to use Adoption Savings expenditures as a source of its non-federal share for the optional title IV-E program. The title IV-E agency must then maintain at least that base year amount as the non-federal share for that program as illustrated in the examples below.

A title IV-E agency that begins to use Adoption Savings expenditures as the non-federal share of an optional title IV-E program beginning in FFY 2020 will always use FFY 2019 as its base year. This means that the non-federal share of the optional program in 2020 and future FFYs must be equal to or greater than the FFY 2019 expenditures before any Adoption Savings may be expended for this purpose. Alternatively, if a title IV-E agency begins to use Adoption Savings expenditures as the non-federal share of an optional title IV-E program beginning in a later FFY it will use the immediately prior FFY as its base year.

Examples: Use of Adoption Savings expenditures beginning in FFY 2020 for the Non-Federal Share of an Optional Title IV-E Program:

Optional title IV-E program first implemented in FFY 2020. The base year amount of the title IV-E agency's non-federal share is zero since the IV-E agency did not participate in the program in FFY 2019 (the prior FFY). As such, the title IV-E agency may use Adoption Savings expenditures as part or as the entire non-federal share for the optional program in FFY 2020 and future FFYs.

Pre-existing optional title IV-E program implemented before FFY 2020. The base year amount (i.e., FFY 2019 non-federal share) is the amount that the title IV-E agency must maintain in FY 2020 and in future FFYs. As such, the title IV-E agency may use Adoption Savings funds as part of the required non-federal share in FFY 2020 or future FFYs only to the extent that the total FFY non-federal share for the optional program exceeds the identified FFY 2019 base year amount.

- **Source/Date:** 2/17/2020
- **Legal and Related References:** Legal and Related: Social Security Act - section 473(a)(8)(D)