

November 3, 2003

Mr. Jim Martin
Commissioner
Georgia Department of Human Resources
2 Peachtree Street, N.W., 29th Floor
Atlanta, GA 30303

Dear Mr. Martin:

This letter is in reference to the Title IV-E Eligibility Foster Care review that was conducted by the Administration for Children and Families (ACF) in the State of Georgia during the week of August 4, 2003.

The purpose of the title IV-E foster care eligibility review was (1) to determine if Georgia is in compliance with the child and provider eligibility requirements as outlined in 45 CFR 1356.71 and Section 472 of the Act; and (2) to validate the basis of Georgia's financial claims to ensure that appropriate payments were made on behalf of eligible children and to eligible homes and institutions.

We are pleased to inform you that we have determined your title IV-E foster care maintenance program to be in substantial compliance with the Federal requirements as outlined in 45 CFR 1356.71 (h)(2) (i) for the period of October 1, 2002 through March 31, 2003. We commend the State for its improved title IV-E foster care eligibility determination process. Because Georgia was found to be in substantial compliance, a secondary review will not be required. The next primary review will be conducted in three years.

A sample of 80 cases was drawn from a universe of title IV-E payments for the review period noted above. Our detailed findings and recommendations from this eligibility review are provided in the enclosed report. For your information and appropriate action, we offer the following executive summary and review findings.

- Of the 80 cases sampled, the review team identified eligibility errors in two cases for either part or all of the review period. The error cases identified during review involved judicial determination regarding “reasonable efforts” to finalize permanency plan as outlined in 45 CFR 1356.71 (6) (d) (1) (i). Since the number of error cases is fewer than nine, Georgia’s title IV-E foster care eligibility program is in substantial compliance with federal regulations and statutes. The next primary review will occur during fiscal year 2006.
- Because these two cases were determined not eligible for Title IV-E Foster Care maintenance payments, the State is ineligible to receive Federal financial participation (FFP)

for them under the title IV-E foster care maintenance assistance program. A total of \$ **3,250** in FFP must be disallowed based on these errors.

- The state is also ineligible for Title IV-E Foster Care administrative costs on the two error cases. We have calculated the amount of unallowable administrative costs to be **\$1,160 FFP**.

A major strength in Georgia's title IV-E foster care is that it has staff whose exclusive function is the determination of IV-E eligibility. A direct result of this specialization is more accurate and timely decisions regarding eligibility and re-determination of eligibility.

This letter constitutes our formal notice of disallowance of **\$3,250** in Federal Financial Participation (FFP) for title IV-E foster care Maintenance Payments and **\$1,160** in FFP for related IV-E Foster Care Administrative costs. The standard methodologies used by ACF for the computation of both of these disallowances are enclosed for your information.

Since the amount of disallowed funds was included in grants previously awarded to the State, the State must repay these funds by making appropriate prior quarter decreasing adjustments on a separate (stand-alone) ACF-IV-E-1 report. These decreasing adjustments must be identified to the applicable quarter(s) in which the unallowable expenditures were originally claimed.

In accordance with the provisions found at 45 CFR Part 30.13 and 30.14, the unallowable expenditures referenced above are considered as a debt to the Federal government and interest charges will accrue. Such interest will be calculated from the date of this letter and added to the amount of the disallowance. However, you may avoid the assessment of interest charges by making the adjustment stated above within 30 calendar days of the date of your receipt of this letter. The disallowed funds should be remitted through submittal of a separate ACF-IV-E-1 report. This report should contain only the adjustments described above; other claims or revisions must not be included and will not be accepted. The original report should be submitted to the following address and a copy sent to the ACF Regional Office:

Administration for Children and Families
Office of Grants Management
Division of Mandatory Grants
370 L'Enfant Promenade S.W.
Washington, DC 20447

Alternatively, you may choose to retain the disallowed funds while pursuing the administrative appeals process, recognizing that interest charges will apply. However, you must submit a letter stating your intentions to the ACF Regional Administrator within 30 calendar days of the date of your receipt of this letter.

If the State fails to either return the disallowed funds or advise ACF of its intent to retain the funds within the 30-day period, a special negative grant award will be unilaterally issued by ACF

to recover the amount of the disallowance plus any interest. The disallowance will be calculated from the date of the disallowance to the date of the award.

The decision on this matter represents the final decision of the Administration for Children and Families. If you disagree with the decision to disallow your claim for Federal funding, Federal regulations at 45 CFR Part 16 provide you with the opportunity to appeal this decision directly to the Departmental Appeals Board. Your written request to appeal the decision should be sent within 30 calendar days of your receipt of this letter.

The use of certified mail is recommended to establish the mailing date of all correspondence. The letter to appeal this decision should be sent to:

Department of Health and Human Services
Departmental Appeals Board
Appellate Division
330 Independence Avenue, S.W.
Cohen Building, Room G-644
Washington, D.C. 20201

This letter of appeal should indicate the amount in dispute and include a statement of your position and the reasons why you believe the decision is wrong. A copy of this disallowance decision should be attached.

A copy of **all** correspondence pertaining to this decision, including a copy of your appeal to the Board, if applicable, should be forwarded to this office.

We want to thank you and your staff for the excellent efforts made to prepare for and participate in this review. We look forward to working with you and your staff to continue to improve the State's implementation of the Federal requirements and to improve services to children and families. Please contact Kunle Baoku, Children and Family Program Specialist and the review coordinator, at 404-562-2949 if you have questions about this review. Questions concerning the computation of the disallowance should be directed to Kay Casey, Financial Operations Specialist, at 404-562-2935.

Sincerely,

Carlis V. Williams
Southeast Regional Administrator

Enclosures