

# **Texas Department of Family and Protective Services**

## **Title IV-E Finance Handbook for**

## **Child Welfare Board and Legal Contracts**

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# 1000 About this Handbook

## 1100 How to Use this Handbook

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This Handbook was developed to provide technical assistance and support. The procedures described in the handbook are designed to implement the county outreach program required by Chapter 40.0566 of the Texas Human Resources Code and are in compliance with Title IV-E of the Social Security Act, guidance from the federal Office of Management and Budget (OMB), policies of the federal Department of Health and Human Services (DHHS), Administration for Children and Families (ACF), Children's Bureau, and other relevant federal and state laws.

Department of Family and Protective Services (DFPS) Title IV-E Program Contracting Policies are available in Section 8000 of the [Child Protective Services \(CPS\) Handbook](#).

## 1200 Forms

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A separate collection of documents associated with this Handbook comprises the Forms section. These are required for fiscal submissions. The content is designed to provide information necessary to satisfy DFPS requirements and may not be substituted.

## 1300 Glossary

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The glossary provides definitions and explanations of acronyms used in this handbook.

## 2000 Legal Basis

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A County that contracts with DFPS to provide Title IV-E services is required to comply with its Title IV-E contract and with the policies and procedures contained in this Handbook (Texas Family Code [Chapter 264](#)). In the event that any information in this handbook conflicts with state or federal law or the terms of the Title IV-E contract, the applicable state or federal law or contract term takes precedence over any conflicting guidance provided in this handbook.

## 2100 Federal and State Legal Authorities

### 2110 Federal Title IV-E Requirements

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The primary federal legal authority for the provision of Title IV-E services is Title IV-E of the Social Security Act, which is codified at 42 United States Code (USC) §670 *et seq.*

Federal regulations relating to Title IV-E are located generally in Title 45 of the Code of Federal Regulations, [45 CFR, Public Welfare](#), including, but not limited to 45 CFR 1355; 45 CFR 1356; and additional regulations cited in 45 CFR 1355.30.

### 2120 Office of Management and Budget (OMB)

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The following subsections cite relevant regulations and guidance issued by the federal Office of Management and Budget, which are the basis of many of the Title IV-E contracting requirements.

### 2121 Administrative Requirements

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- [OMB A-102](#), Grants and Cooperative Agreements with State and Local Governments

### 2122 Cost Principles, including State and Local Indirect Cost Rate Proposals

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- [OMB A-87](#), Cost Principles for State, Local, and Indian Tribal Governments, which is published in federal regulations at 2 CFR Part 225, including:
  - [ATTACHMENT E](#) (to OMB A-87)-- State and Local Indirect Cost Rate Proposals

## 2123 Single Audits

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- [OMB A-133](#), Audits of States, Local Governments, and Non-Profit Organizations

## 2130 State Contracting Requirements

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[Uniform Grant Management Standards](#)

## 2140 State Legal Authority for Title IV-E Contracts

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- Human Resources Code (HRC) Section [§40.002](#), Department of Family and Protective Services; Responsibility
- HRC [§40.058](#), Contracts and Agreements
- Human Resources Code, Section §40.0566 County Outreach Program
- Texas Family Code (TFC) [§264.005](#), County Child Welfare Boards; [§264.006](#), County Funds; [§264.102](#), County Contracts

## 3000 Introduction to Program

### 3100 Purpose

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Title IV-E funding was established for the purpose of enabling each State to provide, in appropriate cases, foster care and transitional independent living programs for children who otherwise would have been eligible for Aid to Families with Dependent Children (AFDC) assistance as the program existed July 16, 1996, and adoption assistance for children with special needs.

### 3200 Program Introduction

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The United States Department of Health and Human Services' (DHHS) [Children's Bureau](#) is responsible for the administration of the Title IV-E Foster Care program. The original provisions of Title IV-E of the Social Security Act were passed in 1981, and provide Federal Financial Participation (FFP) to states to partially offset the costs of foster care maintenance and administrative activities associated with the provision of foster care.

Federal reimbursement is provided at different rates for:

- foster care maintenance payments including the costs of shelter, food, and clothing;
- administrative costs necessary for the proper and efficient placement of the child, including case management, eligibility determination, and court preparation; and
- administration of the state plan for training staff and foster parents.

The federal financial participation (FFP) rate for foster care maintenance payments is equal to each state's federal medical assistance percentage rate (FMAP). The FFP for Title IV-E administrative activities is 50 percent, and the FFP for IV-E eligible training expenditures is 75 percent.

DFPS is the single state agency that administers Title IV-E in Texas.

In addition to authorizing federal reimbursement for state Foster Care programs, Title IV-E covers state programs for Adoption Assistance, Adoption Incentive Payments through the Adoption and Safe Families Act of 1997 (ASFA), and Foster Care Independence through the Chafee Foster Care Independence Program.

# 4000 County Child Welfare Board Contracts

## Title IV-E Financial Handbook September 2007

Texas counties can establish and maintain Child Welfare Boards (CWBs) in accordance with [Texas Family Code §264.005](#). The CWBs work closely with local DFPS staff to provide for an array of needs for children in substitute care. DFPS has contracts with many Texas counties that enable the counties to receive federal reimbursement under Title IV-E for the cost of providing certain goods and services to children who meet Title IV-E eligibility criteria. DFPS is required by Section 40.0566, Human Resources Code, to implement a County outreach program to promote Title IV-E contracts with counties, as follows:

### [HRC §40.0566](#) County Outreach Program

- (a) The department shall develop and implement a standard statewide outreach program under which the department:
  - (1) informs each county of the availability of federal funds to pay costs of providing child protective services within the county; and
  - (2) provides technical assistance on request to a county seeking federal funds.
- (b) In implementing the program, the department shall:
  - (1) designate local department personnel responsible for performing the functions specified in Subsection (a);
  - (2) designate a statewide coordinator responsible for coordinating the activities of local department personnel and developing methods of providing information to counties; and
  - (3) develop a database that:
    - (A) identifies department and county personnel involved with the outreach program; and
    - (B) contains information regarding the date and type of assistance provided by the department to each county.
- (c) The department, in consultation with the Legislative Budget Board, shall ensure that a record is maintained of the amount of funding for child protective services that each county receives directly from the federal government.

Title IV-E County contracts are “subrecipient” contracts, as that term is defined in federal law. OMB Circular A-133 defines a subrecipient as a “non-federal entity that expends federal awards received from a pass-through entity to carry out a federal program, but does not include an individual who is a beneficiary of such a program.”

# 4100 Types of Expenses

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There are three types of expenses reimbursable under CWB contracts and each is reimbursed at a different Federal Financial Participation (FFP) level. This section provides an overview of the three types of expenses that may be included in a contract between DFPS and a County for Title IV-E services. A more detailed description of each of these types of expenses is included in the following subsections.

## 1. Foster Care Maintenance

[Social Security Act – Section 475 \(4\)\(A\)](#) defines "foster care maintenance payments", in part, as payments to cover the cost of (and the cost of providing) food, clothing, shelter, daily supervision, school supplies, a child's personal incidentals, liability insurance with respect to a child, and reasonable travel to the child's home for visitation."

## 2. Administration

Social Security Act - Section 474(a)(3)(E) permits States with approved Title IV-E State Plans to be reimbursed at a 50 percent matching rate for the costs of administrative activities as found necessary by the Secretary of Health and Human Services for the proper and efficient administration of the Title IV-E State Plan. (Certain subcategories of administrative costs, including training, are reimbursable at a higher rate, as discussed below.)

[45 CFR 1356.60 \(c\)](#), entitled "Federal matching funds for other State and local administrative expenditures for foster care and adoption assistance under title IV-E", implements section 474 (a)(3) of the Act, and clarifies what may properly be considered administrative expenditures of the Title IV-E program.

Costs directly related to the administration of the foster care program are deemed allowable if they are necessary and reasonable, incurred while providing proper and efficient services to Title IV-E eligible children, and are in accordance with OMB A-87, 45 CFR Section 95.507, and 45 CFR Section 1356.60. Title IV-E allowable administrative costs are reimbursable at 50% and may include such costs as salaries, fringe benefits, travel, supplies, equipment, and other operating expenses.

## 3. Training

Title IV-E training expenses are a subset of administrative services, but are reimbursable at a higher rate than other types of administrative services. Title IV-E training costs are those associated with attending or participating in IV-E-approved training. These training costs are reimbursable at 75%. Unlike general training, IV-E training must be specifically related to the IV-E program. 45 CFR 1356.60(c) provides further guidance on the types of training activities that are deemed to be specifically related to Title IV-E. Title IV-E training expenses include salaries, fringe benefits, and travel expenses.

**Note:** Title IV-E reimbursement of educational and paternity testing expenses is strictly prohibited.



## 4110 Supplemental Foster Care Maintenance

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Foster care maintenance expenses incurred on behalf of children who meet Title IV-E eligibility criteria receive the same level of federal match as the Federal Medical Assistance Percentage ([FMAP](#)) rate. The FMAP rate changes annually, and is in effect from October 1 through September 30, which coincides with the federal fiscal year. Foster care maintenance expenses include the daily foster care rates paid to foster care providers. In order to supplement the services provided to children in out-of-home care, counties often provide additional services referred to as “supplemental foster care maintenance.” These supplemental services are reimbursable from the federal government at the foster care maintenance rate.

County supplemental foster care maintenance expenses must be actual, allowable under Title IV-E, child-specific, and supported by County records documenting each of these criteria. Further, they must have been provided to children who meet the eligibility criteria for Title IV-E, as determined by DFPS. These expenses must be verified against the “IV-E Eligibility Verification Report” as required by [CPS PSA 05-027](#), November 19, 2004. The report is for use by DFPS Contract Management staff responsible for review of County claims submitted by counties for goods and services provided to children in foster care.

DFPS Contract Management staff is responsible for forwarding county-specific information to County staff for preparation of claims. Contract Managers provide this report only to county personnel preparing billings and include only the information for IV-E eligible children in that particular county. To ensure that these reports are used solely for the intended purpose and to protect the confidentiality of these reports, the following statement must appear at the bottom of the report, “For use in preparing and reviewing County Title IV-E claims only. Confidential Information-Not for Release to the Public.”

### Supplemental Foster Care Maintenance Payments

The costs of food, clothing, and shelter are often referred to as “room and board” costs. DFPS provides room and board for children in foster care through its daily foster care rate paid to foster care providers. All supplemental foster care maintenance costs submitted by a CWB to DFPS for federal reimbursement must be actual County costs and must be incurred on behalf of specific Title IV-E eligible children. The County must maintain accounting records that include an audit trail for each expense that includes the child’s name, Title IV-E eligibility status, receipt for the expense, and County accounting records that display the expense through the County accounting system. Types of supplemental foster care maintenance expenses are described below.

#### Food

Food costs are covered in the DFPS daily foster care rate; however, special dietary needs are reimbursable under “personal incidentals”, described later in this section

#### Clothing

Although the DFPS daily foster care rate includes basic clothing costs, supplemental clothing costs paid for by the County for DFPS foster care children are Title IV-E

allowable costs, if the clothing costs are documented to a specific Title IV-E eligible child.

### **Shelter**

Although some County CWBs may choose to provide shelter services in certain instances, the shelter costs are not eligible for reimbursement under the Title IV-E contracts.

### **Daily Supervision**

The federal Health and Human Services' Child Welfare Policy Manual states that ". . . childcare that provides daily supervision during a foster parent's working hours when the child is not in school is an allowable expenditure under Title IV-E." [HHS Child Welfare Policy Manual 8.3B.1](#)

DFPS provides three types of daycare for children in foster care. Title IV-E daycare, Non-Title IV-E daycare, and child daycare for children with special needs. Counties may claim reimbursement for daycare paid on behalf of an IV-E eligible child if the care is provided in accordance with [CPS Handbook](#) Section 8235.2.

At a minimum, for the County to claim a daycare expense for children in foster care, the CPS worker must approve the allowable County daycare expense, the daycare must have been provided in a DFPS-licensed facility, and the daycare must have been provided to a designated Title IV-E eligible child.

### **School Supplies**

#### **Allowable Expenses**

- Required classroom supplies: notebooks, pens, paper, etc.
- Art supplies
- Necessary school clothing such as gym uniforms
- Locker and towel fees
- Rental or purchase of school band musical instruments
- Band uniforms
- Regular after school activity fees (i.e. volleyball, basketball, chess club, etc.)
- School activity fees such as required for class project or field trip participation

#### **Unallowable Expenses**

- Music lessons for band instruments
- After school enrichment
- Private school tuition even if court ordered
- Fees for summer school
- Driver's Education fees \*
- GED related expenses \*

\* Before incurring Driver's Education or GED expenses, counties should check with the DFPS PAL regional coordinator to determine whether the regional PAL program can pay these expenses.

## Personal Incidentals

### Allowable Expenses

- Items related to personal hygiene
  - Cosmetics
  - Over-the-counter medications
  - Special dietary foods
  - Infant and toddler supplies including high chairs and diapers
  - Allowances – counties are encouraged to set a limit
  - Birthday and Special occasion and holiday gifts
  - Graduation expenses, such as senior rings, cap and gown, etc.
  - Reasonable and occasional costs of such items as tickets or other admission fees for sporting, entertainment or cultural events
  - Fees related to clubs such as Girl or Boy Scouts
  - Special lessons, including horseback riding
  - Miscellaneous items such as stamps, envelopes, writing paper, film and the cost of film development for a personal camera
  - Reasonable travel provided for the child to visit parents, siblings, relatives, or other caretakers at home or other appropriate location. An “other appropriate location” may include a DFPS office, or other location deemed appropriate by DFPS if it is not possible or appropriate for the child to go home.
  - Funeral Costs \*
- \* Prior to incurring funeral expenses, counties should check with the DFPS. Reasonable and necessary funeral costs, if not paid by the child’s parents, are paid by DFPS in accordance with CPS Handbook Section 8512 (Burial Services for Deceased Children in the Managing Conservatorship of DFPS)

### Unallowable Expenses

- Drug Screening
- School Tuition
- CASA expenses
- Specialized assessments such as psychiatric, medical or educational assessments
- Travel costs for the biological parent or other relative visiting with the child

## 4120 Administrative Expenditures

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Costs directly related to the administration of the foster care program are deemed allowable if they are necessary and reasonable, incurred while providing proper and efficient services to Title IV-E eligible children, and are in accordance with OMB A-87, 45 CFR Section 95.507, and 45 CFR Section 1356.

[45 CFR 1356.60\(c\) \(2\)](#) lists the following services as examples of allowable IV-E administrative activities:

- Referral to services;
- Preparation for and participation in judicial determinations;
- Placement of the child;
- Development of the case plan;
- Case reviews;
- Case management and supervision;
- Recruitment and licensing of foster homes and institutions;
- A proportionate share of related agency overhead;
- Costs related to data collection and reporting.

Title IV-E allowable administrative costs are reimbursable at 50% and may include such costs as salaries, fringe benefits, travel, supplies, equipment, and other operating expenses.

### Salaries and Fringe Benefits

The salaries and fringe benefits paid to County personnel for time spent performing IV-E activities are reimbursable costs. Fringe benefits include, but are not limited to, County paid FICA, insurance, retirement, and workers' compensation. The distribution and apportionment of salaries and wages must be in compliance with OMB Circular A-87 and in accordance with the County's approved budget.

Note: The costs of social services provided to the child, the child's family, or foster family which provide counseling or treatment to ameliorate or remedy personal problems, behaviors or home conditions are not reimbursable administrative costs. [\[45 CFR 1356.60 \(c\) \(3\)\]](#)

### Administrative Travel

Reimbursement of travel costs is subject to the State of Texas Travel Allowance Guide, limited to actual travel costs and the maximum State reimbursement rates. The guide may be accessed through the Internet at: <http://www.window.state.tx.us/comptrol/texastra.html>

### Allowable Travel Costs

Costs incurred by County personnel while performing IV-E administrative duties or attending staff development trainings may include:

- Meals
- Lodging
- Auto rental

- Gasoline
- Airfare
- Mileage
- Registration fees
- Parking
- Other incidental expenses (i.e., taxi fees, tolls)

#### **Unallowable Costs Related to Travel**

- Gratuity
- Alcoholic beverages
- Personal phone calls
- Any other items not allowed by federal regulations or not directly connected to the IV-E program

#### **Supplies**

The costs of supplies that are reasonable and necessary to administer the IV-E program are reimbursable expenses. Purchases should be charged at their actual cost after deducting all cash discounts, rebates, and allowances received. These expenses may include items not capitalized under the County Policy (see following section on Equipment for capitalization threshold procedures).

#### **Equipment**

The cost of equipment purchases deemed reasonable and necessary to administer the IV-E program, are reimbursable only if purchased for employees that are 100% IV-E. To be considered 100% IV-E, an employee's work assignment must be exclusive to Title IV-E related duties.

To capitalize an item means that it will be considered a fixed asset, as opposed to a consumable item. Equipment must be tracked in a property accounting system and included in the County's inventory. For the purpose of reimbursement through the IV-E program, the County's capitalization policy will prevail; however, for those counties for which the capitalization threshold exceeds the \$5,000 state threshold, the item purchased will be considered equipment for IV-E purposes if the cost is less than the County dollar threshold but more than the state dollar threshold. Counties without a capitalization policy will apply the State of Texas Capitalization Policy.

The State of Texas capitalization policy states that any item purchased will be considered equipment and, therefore capitalized, if the two following conditions exist:

- The unit cost is \$5,000 or more and
- The item has an estimated useful life of more than one year.

## Other Operating Expenses

Certain other costs that are directly related to the administration of the IV-E program are reimbursable. These costs may include but are not limited to:

- Telephone
- Supplies for “life books” for children in foster care
- Birth certificates\*
- Immigration filing fees
- Reference materials
- Referral to services
- Preparation for and participation in judicial determinations
- Placement of the child
- Development of the case plan
- Case reviews
- Case management and supervision
- Recruitment of foster homes; public/community awareness expenses related to recruitment
- Insurance and Indemnification Costs incurred by the County directly related to IV-E program administration

(\*Note: Appreciation receptions are not reimbursable)

- A proportionate share of related agency overhead
- Costs related to data collection and reporting
- Before incurring birth certificate expenses, counties should check with the DFPS. Reasonable and necessary birth certificate costs, if not paid by the child's parents, are paid by DFPS in accordance with CPS PSA 07-057 dated December 20, 2006.

## 4130 Training Expenditures

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Title IV-E training costs are those associated with attending or participating in IV-E approved training. These training costs are reimbursable at 75% and must be specifically related to the IV-E program. Training costs are reimbursable only at the enhanced 75% match rate only to the extent that training is designed to prepare agency employees and limited other trainees (e.g. potential employees, foster care parents, institution staff) to carry out the allowable administrative functions as listed at 45 CFR 1356.60 (c) (2), which are listed at the beginning of Section 4120 of this Handbook. See also the DHHS Child Welfare Policy Manual, Section 8.1H, Title IV\_E, Administrative Functions/Costs, Training at: [http://www.acf.hhs.gov/j2ee/programs/cb/laws\\_policies/laws/cwpm/updates\\_update.jsp](http://www.acf.hhs.gov/j2ee/programs/cb/laws_policies/laws/cwpm/updates_update.jsp)

Updates to the Child Welfare Policy Manual and reformats of the existing relevant policy issuances (Policy Announcements and Policy Interpretation Questions) can be obtained at:

[http://www.acf.hhs.gov/j2ee/programs/cb/laws\\_policies/laws/cwpm/index.jsp](http://www.acf.hhs.gov/j2ee/programs/cb/laws_policies/laws/cwpm/index.jsp)

Note: Training provided to prospective employees is only allowable under limited circumstances. The County must receive approval from the DFPS contracts administrator before claiming reimbursement for any Title IV-E training costs incurred by a prospective employee.

### **Training Salaries and Fringe Benefits**

The IV-E training salaries and fringe benefits paid to County personnel for the actual time spent on attending or participating in IV-E training are reimbursable expenditures.

### **IV-E Training Travel**

Travel expenses incurred by County personnel in the course of attending or participating in IV-E training are reimbursable. Reimbursement of travel costs is subject to the State of Texas Travel Allowance Guide, limited to actual travel costs and the maximum State reimbursement rates. The guide may be accessed through the Internet at: <http://www.window.state.tx.us/comptrol/texastra.html>

**See Section 4120 for a listing of allowable and unallowable travel costs that can be claimed when related to allowable Title IV-E training**

## **4140 Indirect Costs/Indirect Cost Rate**

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### **Direct costs**

Direct costs are those that *can* be identified specifically with a particular cost area, department, or program. Indirect costs are those that have been incurred for common or joint purposes.

### **Indirect costs**

Indirect costs are normally charged to Federal programs by the use of an indirect cost rate. If a County desires to allocate indirect costs to the IV-E contract, an indirect cost rate proposal and related documentation must be prepared in accordance with [OMB A-87](#) (located in federal regulations at 2 CFR 225), Cost Principles for State, Local, and Indian Tribal Governments, as outlined in:

Appendix C -- State/Local-Wide Central Service Cost Allocation Plans,  
Appendix E-- State and Local Indirect Cost Rate Proposals.

The Certificate of Cost Allocation Plan and related documentation signed by the county's authorized signatory must be retained for audit in accordance with federal records retention requirements. Copies of the Certificate of Cost Allocation Plan and documentation must be provided to the DFPS regional contract manager. A copy of the Certificate of Cost Allocation Plan is to accompany the first billing of each fiscal year submitted to DFPS Federal Funds for reimbursement.

## 4141 Contingency Fees

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[OMB Circular A-87 Attachment B, paragraph 32](#), disallows all fees for professional services if they are contingent upon recovery of the costs from the Federal Government. The Departmental Appeals Board of the U.S. Department of Health and Human Services [Decision No. 1660](#) gives clarification regarding this issue.

DFPS has determined the following (CADA01-09):

- If Texas counties or other contractors have a contingent fee contract and are *not* attempting to charge those fees to the DFPS contracts, there is *no problem*, and DFPS should not disallow other legitimate costs that were actually expended on the program.
- If counties or other contractors are attempting to charge the contingent fee professional services to the contract, DFPS should disallow those costs, but not other legitimate costs. The current A-87 does *not* allow the fee to be charged to the contract even *if it is reasonable in amount*.

If Texas counties or other contractors have professional services contracts with consultant firms and are paying them a set fee or a set fee per hour, that fee can be a cost charged to the DFPS contract, but it must be reasonable, and there must be a "basis for award cost or price" documented in the County's procurement files.

See [45 CFR §74.46](#)

## 4200 Documentation Requirements

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### Budget

DFPS will reimburse the County from Title IV-E funds for the reasonable, allowable and allocable costs in accordance with the County contract and budget documents. A detailed budget in the required format along with a narrative justifying both the budget and the allocation of costs to Title IV-E of the Social Security Act must reflect appropriate costs for Title IV-E. If costs are determined not to be reasonable, allowable and allocable under Title IV-E, DFPS will not reimburse the County for those costs and will recover any previous payments for such costs. If bills are inadequately documented or appear to be unallowable in whole or in part, DFPS will notify the County within 30 days. A new budget (Form 2030) MUST be submitted for each fiscal year. While the contract itself may be automatically renewed, no reimbursements can be made under a renewed contract until a new budget/Form 2030 is submitted and approved for each new fiscal year.



## Billing Requirements

All billings must be submitted for reimbursement in accordance with the time limit specified in the contract.

The County must submit bills:

- On a quarterly basis, using:
  1. Form 4116X, State of Texas Purchase Voucher, and
  2. Other DFPS or Contractor forms, or other sufficient documentation to support the claim as appropriate; and
- Within one quarter of the quarter in which services were provided.

**EXCEPTION:** If the quarterly bills for the County average or are expected to average less than \$1,000 per quarter, the County may request, and the Contract Manager for the Department may grant written permission to submit bills on an annual basis, before the end of the first quarter of the following fiscal year. Such annual billings should still separately document claims for each quarter contained in the annual billing.

Amended or supplemental billings are allowed under the contract but must be submitted within the time frames established by federal law for Title IV-E. 45 CFR 95, Subpart A, establishes a two-year (eight quarter) time limit for a State to claim federal financial participation in expenditures under State Plans approved under Title IV-E. *Any bill or amended bill which is submitted to DFPS later than seven quarters after the end of the quarter of the expense will not be processed unless it is determined, in the sole discretion of DFPS, that submission for payment of the bill to the federal government can be executed in a proper and timely fashion.*

### **Required Claims Documentation**

A County must maintain and submit supporting documentation for each claim. Supporting documentation must be:

- Substantiated by the appropriate invoices and/or receipts,
- For actual expenses (not estimates), and
- Reflected in the County's accounting system.

**Note:** Failure to submit the required documentation, when requested, will result in the claim being returned to the County, and a delay in County reimbursement.

### **Required Documentation for Administrative Salaries and Fringe Benefits**

The County must maintain timesheets for each employee for whom the County wishes to claim reimbursement. Timesheets must include:

- Employee name,
- Date the task is performed,
- Number of hours spent on each task,
- Description of the work performed,
- Mileage, if any, and
- The employee's signature certifying the accuracy of the data submitted.

### **Required Documentation for Administrative Travel**

The County must maintain and submit copies of receipts, with the exception of meal receipts, for all actual travel expenses. The travel receipts must provide:

- Name of the employee
- Date and purpose, for which the expense was incurred, and
- A list of itemized charges.

Training or conference costs documentation must include a copy of the agenda or brochure.

Mileage must be documented using one of the following methods:

- The starting and ending odometer readings along with an itemized city-to-city description; or
- In the event the odometer readings are not provided, reimbursement must be based on the city-to-city destination points as verified with the State of Texas Mileage Guide. [www.window.state.tx.us/comptrol/texastra.html](http://www.window.state.tx.us/comptrol/texastra.html)

### **Required Documentation for "Materials and Supplies," "Equipment," and "Other"**

For all costs submitted for reimbursement in these cost categories the County must maintain receipt(s)/invoice(s) that include:

- Date of purchase,
- Item(s) purchased,
- County's name, and
- An itemized list of the charges.

## 5000 Legal Contracts

Title IV-E Financial Handbook September 2007

Texas counties are mandated to represent DFPS in child abuse and neglect cases. See [Texas Family Code, §264.009](#). County attorneys or district attorneys who represent DFPS in child abuse and neglect cases may receive compensation for doing so by way of Title IV-E County Legal Services contracts. Reimbursable expenditures include costs incurred to carry out the proper and efficient administration of the State plan. County Legal Contracts are a subset of the types of contracts DFPS may enter into with a County for Title IV-E reimbursement, and are subject to the same legal authorities and requirements listed earlier in this handbook. The following handbook sections contain additional guidance and examples of allowable costs that are specific to County Legal Contracts.

## 5100 Types of Expenses

Title IV-E Financial Handbook September 2007

There are two types of expenses reimbursable under Title IV-E County Legal Services contracts and each is reimbursed at a different Federal Financial Participation (FFP) level.

### 1. Administration

Costs directly related to the administration of the foster care program are deemed allowable if they are necessary and reasonable, incurred while providing proper and efficient services to Title IV-E eligible children, and are in accordance with OMB A-87, 45 CFR Section 95.507, and 45 CFR Section [1356.60 \(c\)](#). IV-E allowable administrative costs are reimbursable at 50% and may include such costs as salaries, fringe benefits, travel, supplies, equipment, and other operating expenses.

### 2. Training

Title IV-E training costs are reimbursable at 75%. These training costs must be specifically related to the IV-E program. See 45 CFR [1356.60\(b\)](#). Title IV-E training expenses include salaries, fringe benefits, and travel expenses.

## 5110 Administrative Expenditures

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### Salaries and Fringe Benefits

The salaries and fringe benefits paid to County legal personnel for time spent performing IV-E activities are reimbursable costs. Fringe benefits include, but are not limited to, County paid FICA, insurance, retirement, and workers' compensation. The distribution and apportionment of salaries and wages must be in compliance with OMB Circular A-87 and in accordance with the County's approved budget. Reimbursement may be claimed for any staff of the district/county attorney providing legal services for children in foster care, for the percent of each staff person's time spent providing these services.

**Personnel may include:**

<b>Legal</b>	<b>Support</b>
Attorney Appellate Attorney Assistant District Attorney Assistant County Attorney Assistant Criminal District Attorney Compliance Officer (attorney) CPS Unit Chief Attorney Criminal District Attorney Deputy Division Chief Division Chief Supervising Attorney	Administrative clerical staff Legal clerk Paralegal Investigator Receptionist Secretary Legal Secretary Law Clerk Non-court employee interpreter (hired and paid by county attorney)

**Administrative Travel**

Reimbursement of travel costs is subject to the State of Texas Travel Allowance Guide, limited to actual travel costs and the maximum State reimbursement rates. The guide may be accessed through the Internet at: <http://www.window.state.tx.us/comptrol/texastra.html>

**Allowable Travel Costs**

Costs incurred by County personnel while performing IV-E administrative duties may include:

- Meals
- Lodging
- Auto rental
- Gasoline
- Airfare
- Mileage
- Registration fees
- Parking
- Other incidental expenses (i.e., taxi fees, tolls)

**Unallowable Costs Related to Travel**

- Gratuity
- Alcoholic beverages
- Personal phone calls
- Any other items not allowed by federal regulations or not directly connected to the IV-E program

**Supplies**

The costs of supplies that are reasonable and necessary to administer the Title IV-E program are reimbursable expenses. Purchases should be charged at their actual

cost after deducting all cash discounts, rebates, and allowances received. These expenses may include items not capitalized under the County Policy (see following section on Equipment for capitalization threshold procedures).

### **Equipment**

The cost of equipment purchases deemed reasonable and necessary to administer the IV-E program, are reimbursable only if purchased for employees that are 100% IV-E. To be considered 100% IV-E, an employee's work assignment must be exclusive to Title IV-E related duties.

To capitalize an item means that it will be considered a fixed asset, as opposed to a consumable item. Equipment must be tracked in a property accounting system and included in the County's inventory. For the purpose of reimbursement through the IV-E program, the County's capitalization policy will prevail; however, for those counties for which the capitalization threshold exceeds the \$5,000 state threshold, the item purchased will be considered equipment for IV-E purposes if the cost is less than the County dollar threshold but more than the state dollar threshold. Counties without a capitalization policy will apply the State of Texas Capitalization Policy.

The State of Texas capitalization policy states that any item purchased will be considered equipment and, therefore capitalized, if the two following conditions exist:

- The unit cost is \$5,000 or more and
- The item has an estimated useful life of more than one year.

### **Other Operating Expenses**

Certain other costs that are directly related to the administration of the IV-E program are reimbursable. These costs may include but are not limited to the following:

#### **Allowable "Other" Costs**

- Citations by publication
- Legal mediation fees
- Expert witness fees
- Telephone

### **Unallowable Legal Costs**

- Salaries for court employees
- Attorney ad-Litem Fees
- Guardian ad-Litem Fees
- CASA expenses
- Filing fees
- Other costs associated with normal functioning of a court
- Costs already allocated to Cost Allocation for Federal Assistance Programs

## **5120 Training Expenditures**

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Title IV-E training costs are those associated with attending or participating in IV-E approved training. These training costs are reimbursable at 75%. Unlike general training, IV-E training must be specifically related to the IV-E program. Contract Manager approval must be obtained prior to billing Title IV-E training expenses.

### **Allowable Training Topics**

For training to be reimbursable at the enhanced 75% rate for Title IV-E training, the topic of the training must be related to one of the activities cited at 45 CFR [1356.60\(c\)\(1\) and \(2\)](#) as allowable administrative activities under the IV-E program. See also the guidance provided in the DHHS Child Welfare Policy Manual at Section 8.1H:

[http://www.acf.hhs.gov/j2ee/programs/cb/laws\\_policies/laws/cwpm/updates\\_update.jsp](http://www.acf.hhs.gov/j2ee/programs/cb/laws_policies/laws/cwpm/updates_update.jsp)

Listed examples of allowable administrative activities to which training must relate include:

- Eligibility determination and redetermination
- Fair hearings and appeals
- Rate setting
- Referral to services
- Preparation for and participation in judicial determinations
- Placement of the child
- Development of the case plan
- Case reviews
- Case management and supervision
- Recruitment and licensing of foster homes and institutions

Updates to the Child Welfare Policy Manual and reformats of the existing relevant policy issuances (Policy Announcements and Policy Interpretation Questions) can be obtained at:

[http://www.acf.hhs.gov/j2ee/programs/cb/laws\\_policies/laws/cwpm/index.jsp](http://www.acf.hhs.gov/j2ee/programs/cb/laws_policies/laws/cwpm/index.jsp)

### Training Salaries and Fringe Benefits

The IV-E training salaries and fringe benefits paid to County legal personnel for the actual time spent on attending or participating in IV-E training are reimbursable expenditures.

Fringe benefits include but are not limited to:

- County paid FICA,
- Insurance,
- Retirement, and
- Worker's compensation.

The time spent traveling to and from the IV-E training may be included in this cost.

### IV-E Training Travel

Travel expenses incurred by County legal personnel in the course of attending or participating in IV-E training are reimbursable. Reimbursement of travel costs is subject to the State of Texas Travel Allowance Guide, limited to actual travel costs, and the maximum State reimbursement rates. The guide may be accessed through the Internet at: <http://www.window.state.tx.us/comptrol/texastra.html>

Allowable travel costs incurred may include:

- Meals
- Lodging
- Auto rental
- Gasoline
- Airfare
- Mileage
- Registration fees
- Parking
- Other incidental expenses (i.e., taxi fees, tolls)

**Note:** Training not directly related to Title IV-E topics is not reimbursable at the 75% enhanced rate, but may be reimbursable at the 50% administrative match rate, depending upon the percentage of time that the employee who attends non-Title IV-E training is otherwise engaged in Title IV-E activities. For more guidance on claiming non-Title IV-E training as an administrative expense, contact your contracts administrator.

# Appendix A: Title IV-E County Billing Procedures

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Type of Expenditure	Federal Financial Participation (FFP) Rate
Supplemental Foster Care Maintenance Payments	60.56% (effective 10/1/07-9/30/08) * [federal medical assistance percentage (FMAP) rate]
Training Expenses	75%
Administration and Other Expenses	50%

Each *type* of expenditure should be calculated separately since a different percentage, or FFP rate, is applied to each, as indicated in the above table. Supplemental foster care maintenance payments are calculated slightly differently from training expenses and administration and other expenses:

1. Determine that all expenses included under each expenditure type are *allowable* expenses. Do not include any unallowable expenses in the calculation. For supplemental foster care maintenance, costs must be for a specific child who is IV-E eligible.
2. Ensure that the expenses are grouped together by type of expenditure (i.e., supplemental foster care maintenance payments, training, and administration and other expenses).
3. Calculate a total for each expenditure type by adding all expenses that fall under that expenditure type.

Here is where the methods of calculation differ slightly:

For Supplemental Foster Care Maintenance Payments:	For Training Expenses and Administration and Other Expenses:
4. Multiply the expenditure total by its applicable FFP rate. The product of this calculation is the amount, which the contractor may bill to DFPS for supplemental foster care maintenance payments.	4. An additional rate called the <b>population rate</b> must be applied to the expenditure total for training expenses and for administration and other expenses <b>before</b> applying the FFP rate. (The population rate is computed by dividing the total number of Title IV-E eligible children in the county by the total number of CPS clients in foster care.)  The population rate is unique for each county and fiscal quarter in which the expense was incurred. These rates are computed on a quarterly basis in the Title IV-E Population Ratio Report.
	5. The product that is calculated by multiplying the expenditure total by the population rate is then multiplied by the FFP rate for training expenses and for administration and other costs. The final product of this calculation is the amount the County may bill to DFPS for training expenses and for administration and other costs.



**Example:**

Uvalde County has the following *allowable* expenses:

Supplemental Foster Care Maintenance Payments (only for specific children who are IV-E eligible)	Training Expenses	Administrative Expenses
<ul style="list-style-type: none"> <li>• clothing: \$200</li> <li>• graduation expenses: \$100</li> <li>• school supplies: \$300</li> <li>• transportation: \$100</li> </ul>	<ul style="list-style-type: none"> <li>• foster parent training \$400</li> <li>• Title IV-E CPS staff training \$200</li> </ul>	<ul style="list-style-type: none"> <li>• birth certificates \$300</li> <li>• salaries and fringe \$700</li> </ul>

**Calculations:**

Steps 1 and 2 above have been completed. For step 3, the totals for each expenditure type are as follows:

Supplemental Foster Care Maintenance Payments = \$700

Training Expenses = \$600

Administrative Expenses = \$1,000

**For Supplemental Foster Care Maintenance Payments:**

In step 4, for *supplemental foster care maintenance payments*, the expenditure total is multiplied by the FFP (FMAP) rate:

Supplemental Foster Care Maintenance Payments (expenditure total)		Applicable FFP/FMAP Rate		
\$700	X	60.56% (effective 10/1/07-9/30/08)	=	\$423.92

This is the *federal reimbursable amount* to be billed to DFPS for supplemental foster care maintenance payments. The difference of \$276.08 (calculated by subtracting \$423.92 from \$700.00) is the *total certified match*, or the amount the County must pay. **The County must certify that it has paid this amount out of state or local funds.**

**For Training Expenses:**

Step 4 for *training expenses* involves applying the *population* rate to the expenditure total before applying the applicable FFP rate:

Expenditure total		County Population Ratio		
\$600	X	73.81%	=	\$442.86

In step 5 for training expenses, the applicable FFP rate is applied to the product obtained in step 4:

Product in Step 4		Applicable FFP Rate		
\$442.86	X	75%	=	\$332.15

This is the federal reimbursable amount to be billed to DFPS for training expenses. The difference of \$110.71 (calculated by subtracting \$332.15 from \$442.86) is the *total certified match*, or the amount the county must pay. **The County must certify that it has paid this amount out of state or local funds.**

### For Administration and Other Expenses:

Step 4 for *administration and other expenses* involves applying the *population* rate to the expenditure total before applying the applicable FFP rate:

Expenditure total		Population Rate		
\$1,000	X	73.81%	=	\$738.10

In step 5 for administration and other expenses, the applicable FFP rate is applied to the product obtained in step 4:

Product in Step 4		Applicable FFP Rate		
\$738.10	X	50%	=	\$369.05

This is the federal reimbursable amount to be billed to DFPS for training expenses. The difference of \$369.05 (calculated by subtracting \$369.05 from \$738.10) is the *total certified match*, or the amount the County must pay. **The County must certify that it has paid this amount out of state or local funds.**

## Submittal of Title IV-E 4116 to DFPS

### Counties

Counties must use Form 4116, State of Texas Purchase Voucher, to submit their bills to DFPS.

\*Note: For the County claims, if a child is eligible one day of the month for IV-E, the child is eligible for the entire month. This includes youth who reach the age of 19 during the month. The month following the 19th birthday of the youth is no longer eligible.

### DFPS Contract Staff

In reviewing submitted purchase vouchers must at minimum:

- verify expenses against approved contract budget
- verify proper dates on the voucher
- ensure that the population rate, FFP rates, and object codes are correct
- verify training expense allowability using the Title IV-E Training Expense documentation form
- verify child-specific expenses against the IV-E Eligibility Verification Report
- verify signature from County representative certifying expenses
- verify accuracy of the calculation worksheet (sheet categorizing expenses; administration, training and supplemental foster care maintenance)

DFPS may require more extensive documentation to support the bills.

Note: All billings must be submitted for reimbursement in accordance with the time limit specified in the County contract. [45 CFR 95.7](#). This subpart establishes a two-year (eight quarter) time limit for a State to claim Federal financial participation in expenditures under State plans approved under Title IV-E. Any bill or amended bill which is submitted to DFPS later than seven quarters after the end of the quarter of the expense will not be processed unless it is determined, in the sole discretion of DFPS, that submission for payment of the bill to the federal government can be executed in a proper and timely fashion.

## Forms

### Title IV-E Financial Handbook September 2007

- [4108](#) — Vendor Direct Deposit Authorization
- [4109](#) — Application for Texas Identification Number
- [4110](#) — Texas Identification Number change request
- 4116CWS — Purchase Voucher for County Child Welfare Services
- 4116CL — Purchase Voucher for County Legal Services
- County Child Welfare Services (CWS) calculation worksheet
- County Legal Services calculation worksheet
- 4116CWS — Documentation Supplemental Child Care Costs
- Title IV-E Training Expense Documentation Form

# Glossary

## Administrative Expenditures

Expenditures necessary for the proper and efficient administration of the Title IV-E plan.

## County Staff

County staff that provide or support Title IV-E services.

## FFP

The Federal Financial Participation (FFP) percentage rate determines the amount of Federal matching funds for certain state expenditures.

## FMAP

The Federal Medical Assistance Percentage ([FMAP](#)) rate is the specific FFP rate that determines federal matching funds for states' Medicaid programs and for Foster Care Maintenance and Adoption Assistance payments. The FMAP applied is based on when the state (DFPS in this instance) pays an expense, regardless of when the service that generated the expense was provided.

The FMAP is federally determined by the Secretary of Health and Human Services based on a formula involving states' average income per person in the state and the nation as a whole. It is calculated on an annual basis and is in effect for a federal fiscal year, October through September.

## IV-E Population Rate

Each County's quarterly Title IV-E population rate is determined in accordance with federally approved Department of Family and Protective Services (DFPS) cost allocation methodology. The rate is based on the number of children in the County in DFPS paid foster care. The percentage represents the ratio of IV-E eligible children to non-IV-E eligible children. **The rate is based on the average of the percentage of IV-E eligible children for each of the three months in a federal quarter and is used to determine reimbursement expenditures incurred in each federal quarter: October-December, January-March, April-June, and July-September.**

## Federal Medical Assistance Percentage ([FMAP](#))

The federal rate used to determine Foster Care Maintenance (Child Care) Expenditures. The rate is set by the federal government and changes each year in October.

## General Support Activities

Those costs necessary to properly and efficiently administer the Title IV-E program for which reimbursement is being sought.

**Legal Expenses**

Expenditures related to the preparation for and participation in judicial determinations for cases filed by DFPS to carry out applicable provisions of Title IV-E of the Social Security Act. Some of these expenses may appear in the administrative section of a County contract or in a legal expenses contract.

**Legal Contract**

A contract with a County governmental entity for reimbursement for the allowable Title IV-E expenses described generally in Section 5000.

**Training Expenditures**

Costs of training personnel employed with the County and/or volunteers who provide services to children in foster care, foster parents and/or child welfare boards.