

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, California 95814



September 7, 2004

ALL COUNTY LETTER NO. 04-32

TO: ALL COUNTY WELFARE DIRECTORS
 ALL CHIEF PROBATION OFFICERS
 ALL COUNTY FISCAL OFFICERS
 ALL COUNTY AUDITOR CONTROLLERS

REASON FOR THIS TRANSMITTAL

- State Law Change
 Federal Law or Regulation Change
 Court Order
 Clarification Requested by
 One or More Counties
 Initiated by CDSS

SUBJECT: TITLE IV-E REIMBURSEMENT OF ADMINISTRATIVE COSTS FOR
 PRE-PLACEMENT PREVENTION

References: Administration of Children, Youth and Families-Policy Announcement (ACYF-PA) 87-05, ACYF-Children's Bureau (CB)-PA 01-02, ACYF-Policy Interpretation Question (PIQ) 96-01, Departmental Appeals Board (DAB) Decision No. 1428 (1993), 471(a)(15)(B)(i) of the Social Security Act, 45 Code of Federal Regulations (CFR) Section 1356.60(c), 42 United States Code (USC) 675

The purpose of this All County Letter (ACL) is to inform county welfare departments (CWD) of a Title IV-E funding opportunity. In addition to normal case management activities for children already in the child welfare services system, the federal government allows Title IV-E reimbursement for **administrative** activities associated with pre-placement prevention. Under current California Department of Social Services' (CDSS) regulations and specified conditions, counties may pass on Title IV-E funds to other county **public agencies**, such as Probation and Mental Health, who could perform eligible administrative activities for children at risk of, or currently placed in foster care. **This pass-on provision does not apply to similar activities performed by private non-profit organizations.**

Targeted Candidates

There are certain "at risk" children, who are reasonably viewed as candidates for Title IV-E foster care maintenance payments, for whom counties may receive Title IV-E reimbursement for allowable administrative costs. This means that the county:

- 1) made a decision that the next step for the child is placement in foster care unless preventive services are provided; or 2) is actively pursuing removal of the child from the home through the court process. Additionally, in order to claim Title IV-E for allowable administrative activities, the candidate must be eligible for Aid to Families with Dependent Children (AFDC) as in effect on July 16, 1996. (Please refer to page 4, section titled "Determining Amount of Administrative Costs Eligible for Title IV-E" for cost allocation alternative.)

ACYF-CB-PA-01-02 and Section 471(a)(15)(B)(i) of the Social Security Act provide that a child may not be considered a candidate for foster care solely because the county is involved with the child and his/her family or the child is the subject of a child abuse/neglect report. In order for the child to be considered a candidate for foster care, the county's involvement with the child and family must be for the specific purpose of either removing the child from the home or preventing removal. ACYF-CB-PA-01-02 also states that the CWD is responsible for making the determination for candidacy.

Documentation Necessary for Indicating a Child is a Candidate for Foster Care

ACYF-PA-87-05 outlines the three acceptable methods for documentation that indicate that either the county has initiated efforts to actually remove the child from the home or made a decision that the child should be placed in foster care unless preventive services are provided. They are as follows:

- 1) A defined case plan which clearly indicates that, absent effective preventive services, foster care is the planned arrangement for the child;

Counties are cautioned to keep in mind that no one circumstance in and of itself (runaway, substance abuse, behavior problems, teen pregnancy, etc.) indicates that a child is at risk of removal. It is important that your department's social workers properly assess the child's circumstances in their entirety to ensure that placement would indeed be the only alternative in the absence of services.

or

- 2) Evidence of court proceedings in relation to the removal of the child from the home, in the form of a petition to the court, a court order or a transcript of the court's proceedings;

or

- 3) An eligibility determination form completed by the CWD which establishes the child's eligibility under Title IV-E.

As indicated in ACYF-CB-PA-01-02, evidence of AFDC eligibility in and of itself is not sufficient to establish a child's candidacy for foster care. Therefore, eligibility forms used to document a child's candidacy for foster care should include some type of evidence that indicates the child is at serious risk of removal from home.

Reimbursable Title IV-E Administrative Activities

Reimbursable Title IV-E administrative activities are limited to the examples provided in 45 CFR Section 1356.60(c). Counties are advised to only seek reimbursement for the Title IV-E administrative activities identified in the DAB Decision No. 1428 (1993) which are those activities engaged in *after* the initial investigation and risk assessment. They include:

- Referral to Services - It is important that counties understand the difference between “referring” and “arranging” for services. Pursuant to DAB Decision No. 1428 (1993), “referring”, which is an allowable Title IV-E administrative cost, is limited to providing information to the individual so that the individual can obtain the services. “Arranging” for services, which is not an allowable Title IV-E administrative cost, is considered those activities which are performed on behalf of an individual.
- Preparation for and participation in judicial determinations – Acceptable activities are limited to preparation of reports to the court and participation in court proceedings by the CWD.
- Placement of the child – Activities include making arrangements for the child’s placement in either emergency or non-emergency care. It also includes discussions with agencies, parents, and foster parents regarding the need for and availability of placement.
- Development of a case plan – This activity is related to the development of the case plan, as defined in 42 USC 675.
- Case reviews – This includes evaluation of the continuing needs and services of the child that is completed at least once every six months.
- Case management and supervision – Activities include the management/monitoring of the case for services provided to or on behalf of protected children. An example would be the steps taken by the case manager/monitor to ensure that the case service plans are adequately established and implemented in accordance with service requirements.
- Data collection and reporting – Activities associated with the preparation and maintenance of applications, authorizations, or any other required child welfare system data/documentation.
- *Recruitment and licensing/approval of foster homes and institutions
- *Rate setting
- Proportionate share of agency overhead (Indirect Costs) – This is a portion of the actual agency overhead costs that includes travel, space, space A-87, other operating expenses, public agencies A-87, public agencies – direct billed, private agencies, Title IV-E and super/umbrella agency costs that can be allocated to Title IV-E. The costs are normally allocated using social worker time study hours within the CWD. While use of the automated County Expense Claim (CEC) time study ratios can not be used for other public agencies, the other public agencies could, if available, utilize a similar automated claim template that uses time study ratios to identify the applicable amount of overhead for the Title IV-E activities. These agencies can also calculate the appropriate share of overhead costs by dividing four quarters of the actual agency overhead expenditures by the total direct costs (i.e.,

*While these items are federally allowable administrative activities, they are likely to not be applicable for the purpose of “pre-placement prevention”.

case worker, administrative/clerical support, and electronic data processing staff salaries and benefits) for the pre-placement prevention activities. The resulting percentages are the ratios that can be applied to the overhead costs for allocating the allowable amount of indirects to Title IV-E.

Determining Amount of Administrative Costs Eligible for Title IV-E

As with all other Title IV-E administrative costs, the total Title IV-E pre-placement prevention costs must be discounted before being claimed for federal reimbursement. In lieu of completing a determination of eligibility for AFDC as in effect on July 16, 1996 on each candidate, counties can use the same cost allocation method of utilizing the ratio of Title IV-E to non-Title IV-E cases that is used by the CWD and probation to discount their Title IV-E administrative costs. If, for example, 40 percent of a county's foster care population is eligible for Title IV-E foster care maintenance payments, then the county can reasonably estimate that the same percentage of children it has identified as foster care candidates are potentially eligible for Title IV-E. Thus, the county may claim Title IV-E funding for 40 percent of the allowable administrative costs associated with the candidates for foster care.

Trial Home Visits

Pursuant to ACYF-CB-PA-01-02, services and supports provided to children who are on a trial home visit are considered reasonable efforts to prevent their return to foster care. Therefore, for these individuals, the county can claim reimbursement for the allowable administrative activities associated with these cases. In order for the costs to be eligible for Title IV-E, there must be documentation in the case plan, that should the services provided during the course of the trial home visit fail, the child will be returned to foster care.

Non-Reimbursable Activities

According to 45 CFR Section 1356.60(c)(3) and ACYF-PA-87-05, allowable administrative costs do not include the direct provision of services which provide treatment to the child, the child's family or foster family to resolve personal problems, behavior or home conditions. Examples of non-reimbursable services are: physical or mental examinations, homemaker or housing services, counseling, and any other direct services to assist in preventing placement and reuniting families.

Claiming Instructions

Before claiming can begin, the following requirements must be met:

- Counties that establish a multi-agency team must prepare a Memorandum of Understanding (MOU) between the CWD and the other public agency. Please refer to the enclosed Attachment A for an outline of what the MOU must contain.
- Counties must submit a certification form (see enclosed form "Certification by County Welfare Department for the Reimbursement of Title IV-E Funds for Pre-placement Prevention") to CDSS which certifies that the county will adhere to the applicable provisions associated with claiming Title IV-E reimbursement for administrative costs

for pre-placement prevention and will assume responsibility for any future disallowances. Counties must not begin claiming until a letter of acknowledgement has been received from CDSS which will indicate the earliest date in which claiming can begin. The certification form will also be available on the CDSS website at: www.dss.cahwnet.gov.

- A child's documentation for reasonable candidacy must be completed. Please refer to the three acceptable methods of documentation indicated on page two.

NOTE: Title IV-E reimbursement of administrative activities must cease at the point in which the child no longer meets the criteria for reasonable candidate.

The following Program Code (PC)/Program Identifier Number (PIN) shall be used to claim reimbursement for the eligible Title IV-E administrative activities once the claiming requirements indicated above have been met:

| | |
|------------|---------------------------------|
| PC 119 | Public Agency IV-E Pass Through |
| PIN 119069 | Federal Pass Through |

Costs charged to PC 119 will be funded at 50/00/00/50 (federal/state/health/county).

The county share may be provided by the other public agency performing the eligible administrative activities provided the funds used as the county share meet all requirements for matching federal Title IV-E and are not used as match for any other fund source.

The information outlined in this letter does not pertain to or affect the current process in place regarding the written agreement between county probation and CWDs for the pass-through of Title IV-E funds for foster children supervised by the Probation Department.

Additional claiming instructions will be provided in a forthcoming county fiscal letter. Should you have any questions regarding this ACL, please contact your Foster Care Eligibility consultant at (916) 651-9158. Please direct fiscal related questions to the Fiscal Systems Bureau electronic mailbox at Fiscal.Systems@dss.ca.gov.

Sincerely,

BRUCE WAGSTAFF
Deputy Director
Children and Family Services Division

GLORIA MERK
Deputy Director
Administration Division

Enclosures

Attachment A

Reimbursement of Title IV-E Administrative Costs Instructions for Multi-Agency Memorandum of Understanding

INTRODUCTION

Before proceeding with the development of a plan for pre-placement prevention and reimbursement of Title IV-E administrative costs, counties are advised to review the federal Policy Announcements (PA) 87-05 and 01-02, Departmental Appeals Board (DAB) Decisions 844, 1428 and 1783, 45 CFR 1356.60, and any applicable all county letters and information notices that are associated with pre-placement prevention and claiming reimbursement of Title IV-E administrative costs.

When establishing a multi-agency team, counties must develop a memorandum of understanding (MOU) which contains at a minimum those items indicated below.

General

- Purpose of the agreement
- The specific services provided by each agency
- Outline of the roles and responsibilities of each agency
- The basis upon which the billing will be made by the agency
- The process of the billing
- The criteria for determining candidates of foster care
- A condition that the billing will be based on the actual cost incurred.

Fiscal

- The MOU must contain a fiscal section that outlines the roles and responsibilities of each party in regards to the claiming process, the audit trail requirements (including adequate time study requirements to justify the portion of time charged to Title IV-E), billing practices, and timelines.

Additionally, the MOU must contain language indicating that:

- The public agencies seeking reimbursement of Title IV-E administrative costs as outlined in the MOU, will be responsible for maintaining a proper audit trail;
- Any audit exceptions or audit disallowances resulting from an audit of the public agency IV-E pass through funds will be shared by each county agency receiving funds based on their percentage of the total costs claimed as reported on the County Expense Claim during the period being disallowed. It is understood that California Department of Social Services will assume no fiscal liability resulting from any such disallowances; and
- Under the MOU, the county welfare department will serve as the lead agency.

CERTIFICATION BY COUNTY WELFARE DEPARTMENT FOR THE REIMBURSEMENT OF TITLE IV-E FUNDS FOR PRE-PLACEMENT PREVENTION

Introduction

The purpose of this certification is to establish guidelines associated with the claiming of Title IV-E reimbursement for administrative activities, to provide a written agreement from county welfare departments (CWD) that they will adhere to all applicable provisions associated with Title IV-E reimbursement of administrative activities, and to establish the effective date of execution.

General Provisions

The county certifies that:

- All applicable federal policy announcements, Departmental Appeals Board decisions, federal and state statutes, and all county letters and information notices will be reviewed prior to developing a proposal. Counties shall agree to assume responsibility for ensuring all applicable provisions are met.
- Reimbursement for administrative activities shall only be claimed for those children reasonably viewed as candidates for Title IV-E foster care.
- The county shall ensure the status of each child is reviewed periodically but no less frequently than once every six months to determine the child's continued eligibility as a candidate for foster care.
- The county shall adhere to the three acceptable methods for documentation of a candidate for foster care.
- The county shall seek reimbursement only for those Title IV-E administrative activities provided in 45 CFR 1356.60(c).
- Title IV-E reimbursement of administrative activities must cease at the point the child is no longer considered a candidate for foster care.
- When a multi-agency team is established, a written agreement shall be developed between the CWD and the public agency(ies) which contains at a minimum those items outlined in All County Letter 04-32, Attachment A.
- The county shall assume oversight responsibility for all activities associated with pre-placement prevention.

Fiscal Provisions

- Ensure appropriate billing procedures are established that require the contractor to maintain books, records, documents and other evidence pertaining to costs and expenses of the contract.
- Ensure appropriate time study procedures are in place to identify all allowable activities.
- Establish appropriate cost allocation process for public agency overhead costs.
- Ensure that the public agency's records will be open for audit and review by county, state and federal agencies, including the California Department of Social Services (CDSS).
- Ensure the memorandum of understanding between the CWD and public agency contains language that the county is responsible for any audit exceptions.

Instructions

Send the original signed and dated certification form to the CDSS at the address provided below. Once the certification form is received by CDSS, a letter of acknowledgement will be sent to the county which will indicate the earliest date in which claiming may begin.

The certification shall remain in effect unless CDSS has determined that the county has not complied with the terms and conditions as specified in this document. Should this occur, CDSS will have the option to void the certification and withhold funding.

Send original to: California Department of Social Services
Eligibility and Funding Unit
Attention: County Certification Form
744 P Street, M.S. 9-71
Sacramento, CA 95814-6413

I CERTIFY THAT I HAVE READ AND AGREE TO THE PROVISIONS OUTLINED IN THIS CERTIFICATION DOCUMENT AND THAT THE CLAIMING PERIOD OF TITLE IV-E REIMBURSEMENT OF ADMINISTRATIVE COSTS WILL BEGIN NO EARLIER THAN THE DATE INDICATED ON THE LETTER OF ACKNOWLEDGEMENT RECEIVED FROM CDSS. ADDITIONALLY, THE COUNTY ASSUMES FULL RESPONSIBILITY OF ANY FUTURE AUDIT DISALLOWANCES ASSOCIATED WITH THE CLAIMING OF SUCH ACTIVITIES UNDER THIS AGREEMENT:

County Welfare Director Signature

Date

County