



## **INSTRUCTIONS FOR COMPLETION OF FORM CB - 496**

### **TITLE IV-E PROGRAMS QUARTERLY FINANCIAL REPORT (Foster Care, Adoption Assistance and Guardianship Assistance Programs)**

**Paperwork Act Notice.** This information collection is mandatory. The information collected on this form is required under Title IV-E (Section 474) of the Social Security Act (42 USC 674). The Children's Bureau of the Administration on Children, Youth and Families uses this information to calculate and issue quarterly Federal grant awards to the State and Tribal agencies administering the Foster Care, Adoption Assistance and Guardianship Assistance Programs. This is considered public information and is published in an annual report of statistical and financial data available to the public. States and Tribes are not required to use this form if it does not include a currently valid OMB Control Number.

**Reporting Burden Notice.** The reporting burden imposed by the collection of information required by this report is estimated to be 17 hours per response. This includes time for reviewing instructions, searching data sources, gathering and maintaining the data needed and completing and reviewing the information reported.

### **General Instructions**

**Applicability:** Completion of this report is required by each State and Indian Tribe, Tribal organization and Tribal consortia (hereafter "Tribe") with an approved title IV-E plan to administer the Foster Care, Adoption Assistance or Guardianship Assistance Program under title IV-E of the Social Security Act (the Act). Some information required on this report is applicable **ONLY** to State programs or **ONLY** to Tribal programs. These items are clearly identified on the form and in these instructions.

The information reported on this form is reviewed by various components of the Administration for Children and Families (ACF) to award funds, determine the allowability of reported expenditures and to provide reports to Congress. Determinations regarding whether reported expenditures are eligible for Federal funding under title IV-E will be made in accordance with applicable Federal statute, regulations and policy.

**These instructions are intended to assist in the completion of this form and clarify the applicable Federal statutes, regulations and policies. Where a conflict exists, this form and these instructions do not supersede such documents.**

- Enter the name of the State or Tribe.
- Enter the reporting periods including the ended date of the Current (claiming) quarter and the ending date of the Next (estimating) quarter.
- Enter the report type. Check box to indicate whether this is a new report (first submission for that quarter) or a revision of a report previously submitted for the same quarter.
- Round all entries to the nearest dollar; do not include cents.
- **Due Dates:** This form must be submitted quarterly within 30 days of the end of each fiscal quarter, i.e., **no later than January 30, April 30, July 30 and October 30**, respectively.

#### **Electronic Data Submission**

*States and Tribes are requested to submit this form electronically through the ACF On-Line Data Collection (OLDC) system, which requires pre-registration and the use of an approved digital signature. Any State or Tribe that elects to use electronic submission should not submit a paper (hardcopy) version of this form.*

- **Signatures:** This report must be signed – either by hand or with an approved electronic signature - and dated at the end of Part 1 by the State/Tribal official responsible for the administration of the

title IV-E program or other official responsible for the financial administration of these programs. The individual signing this report is certifying to the correctness and accuracy of the information on all Parts of this reporting form and on any accompanying documents and is certifying that any amount shown as the State/Tribe share of expenditures is or will be available to meet the non-Federal share of expenditures for the quarter indicated as prescribed by law.

- **Variations.** (***THIS PROVISION IS NOT APPLICABLE TO TRIBES.***) On an attached page, States must submit a detailed explanation of any increase or decrease greater than five percent for any data element of Part 1 compared to the same element for the previous quarter. The explanation should include but is not limited to details relating to changes in number of children or type of placement, number of staff or administrative activity, or number of trainees or type of training.
- **Revisions:** If the State or Tribe needs to change or correct its submission of this report after the original copy is submitted by the due date indicated above, a revised report may be submitted. However, a revised report will not be accepted after the expenditures reported in the original submission have been used in the calculation of a quarterly grant award<sup>1</sup> - usually within 90 days after the close of the "current quarter." Any additional claims or other adjustments that must be reported after that time must be included as a "prior quarter adjustment" on a subsequent "claiming quarter" expenditure report, within the limits of any time constraints imposed by law or regulation. Revisions to the "next quarter" estimates will be accepted only in extraordinary circumstances. <sup>1</sup>(Note: An exception to this restriction will be made where a delay in the reporting of an increasing adjustment will cause the claim to be filed beyond the two-year filing deadline under Section 1132 of the Social Security Act.)

**No re-submissions, revisions or adjustments of expenditure reports submitted for any quarter of the fiscal year will be accepted by ACF later than December 31 - 3 months after the end of that Federal fiscal year. Only data received by ACF as of that date will be used in the publication of statistical data.**

- **Submission (Non-Electronic):** Any State or Tribe that elects to submit this report as a paper copy, must mail that copy with original signatures to:

Administration for Children and Families  
Office of Grants Management  
Division of Mandatory Grants  
Att'n: Title IV-E Programs  
370 L'Enfant Promenade, SW – 6<sup>th</sup> Floor East  
Washington, DC 20447

An additional copy must be sent to the ACF Regional Grants Officer.

### **Definitions:**

**Expenditures (Cols. A, B, C & D).** Expenditures are actual payments made to vendors, service providers and contractors or for administrative, personnel, or other cost items. Include also indirect costs allocable to the quarter being reported in accordance with an approved or pending cost allocation plan.

To be allowable, all amounts reported must be for expenditures made under the State or Tribe's approved title IV-E plan for administration, training and systems costs or for payments made on

behalf of children determined eligible for title IV-E. Amounts reported must be in accordance with all applicable statutes, regulations or policies, and, where necessary, using the methodologies in an approved or pending cost allocation plan, negotiated indirect cost rate or other required submission. For this reporting form the terms "expenditure" and "cost" are used interchangeably.

Expenditure estimates are not acceptable in these columns. "Advances" of funds to another State agency, a local agency or a private entity are not considered expenditures for these purposes. The amounts reported in these columns must be actual, verifiable transactions supported by readily available accounting records and source documentation or an approved cost allocation plan or an indirect rate agreement, as applicable.

Expenditures are considered made on the date the payment occurs, regardless of the date of receipt of the good or performance of the service. For those programs that provide for State or Tribal administration, the date of this transaction by the IV-E State or Tribal agency governs; for States or Tribes with programs that are administered by a local jurisdiction and are supervised by the State or Tribe, the date of this transaction by the county, city or other local agency governs. Indirect costs are allocable in accordance with the cost allocation plan or indirect rate agreement, and are considered to be "expended" in the quarter to which they are allocated.

- **Total (Cols. A, C and E).** All expenditures and estimates for each cost item, including both Federal and State/Tribe share components.
- **Federal Share (Cols. B, D and F).** The Federal portion of expenditures, payments or estimates as reported on each line of this report, as computed using the appropriate Federal Medical Assistance Percentage (FMAP) or Federal financial participation (FFP) rate for each line item as described in these instructions.
- **Non-Federal Share. State or Tribe Share. (Lines 19, 20, 29, 30, 39, 40)** In accordance with its approved State or Tribal plan, this is the State's or Tribe's required portion of total expenditures reported in Cols A and C. This is also the required portion of the estimated expenditures reported in Col E that the State or Tribe is certifying are or will be available for the non-Federal share of program costs.

The Non-Federal share typically consists of grantee appropriated monies raised from non-Federal revenue sources. For Tribal programs, a portion of the Non-Federal share may also consist of in-kind expenditures (or contributions) from third party sources. Federal funds specifically authorized by Federal statutes to be used as match for other Federal programs, including the title IV-E program may constitute State/Tribe share in accordance with the applicable statute.

- **Third Party In-Kind Expenditures (or Contributions).** Fairly evaluated monetary values (see Federal regulations at 45 CFR 92.24) attributable to items (e.g. plants, equipment, administration) or services used for program purposes and provided by sources other than the agency administering the program. Tribes are specifically permitted by statute (section 479B(c)(1)(D) of the Act) to use in-kind expenditures (or contributions) from certain third party sources as a portion of the non-Federal share match for title IV-E administrative and training costs.

States are not permitted to use third party in-kind expenditures as a source of matching funds under the title IV-E Foster Care, Adoption Assistance and Guardianship Assistance Programs (see Child Welfare Policy Manual, section 8.1F, Q#2).

- **Current Quarter Claims (Cols. A and B).** The Total and the Federal share of expenditures made in or allocated to the "Current (Claiming) Quarter" being reported. The Current Quarter is

the quarter just ended, for which expenditures are being reported and for which Federal funds are being claimed in these columns.

- **Prior Quarter Adjustments (Col. C and D).** The Total and the Federal share of expenditures made in or allocated to a previous quarter that were either unreported or incorrectly reported on an earlier report. A Prior Quarter is any quarter that ended prior to the start of the current quarter for which expenditures are being reported and for which Federal funds are being claimed in these columns. This is a "net" amount, combining individual increasing and decreasing adjustments. *(Any adjustment reported in this column must be detailed and separated into the increasing and decreasing components by completing Part 2 of this report.)* The allowability of any claim submitted as an increasing prior quarter adjustment is subject to the 2-year time limit for filing claims found in Sec 1132 of the Social Security Act.

**Estimates (Cols. E and F).** In accordance with the provisions of Section 474(b)(1) of the Social Security Act, this is the Total and Federal share of expenditures the State or Tribe anticipates will be made in the upcoming quarter. The Next (Estimating) Quarter is the quarter about to begin where projected total expenditures and the calculated Federal share are being reported in these columns. These estimates should be based on historical trends, including seasonal, economic or other variations, and should include any costs applicable to a prior quarter for which payments are expected to be made in the next quarter. The ending date of the Next Quarter is always six months after the ending date of the Current Quarter.

**FMAP Rate.** A Federal Medical Assistance Percentage (FMAP) rate is used by a State or Tribe in determining the Federal share of expenditures for assistance payments under the Foster Care, Adoption Assistance and Guardianship Assistance programs.

State FMAP Rates. These rates are calculated and published annually in the Federal Register by the Department of Health and Human Services pursuant to section 1905(b) of the Act. These rates, ranging from 50 to 83 percent, are based on the relative per capita income of each State.

Tribal FMAP Rates. In accordance with section 474(a) and 479(B)(d) of the Act these rates are calculated for a Tribe that participates in title IV-E programs either through direct administration with an approved title IV-E Tribal plan or through an agreement or contract with one or more States. The calculation of the Tribal FMAP rate is based on the relative per capita income of each Tribe's service population.

- When completing this report, any Tribe that directly operates a title IV-E program through an approved title IV-E Tribal Plan will use either its own calculated FMAP rate or the FMAP rate calculated for the State in which it is located, whichever rate is higher.
- When completing this report, any State that operates a title IV-E program that includes Tribal participants through an agreement or contract with that Tribe, will use either its own calculated FMAP rate or the FMAP rate calculated for the Tribe, whichever rate is higher, for those maintenance assistance payments made to the participants from that Tribe. (Where multiple agreements exist with multiple Tribes, this comparison and calculation must be done separately under each agreement.)

**FFP Rate.** The Federal Financial Participation rate applicable to a program or certain cost categories within a program is specified by statute and is used to calculate the Federal share of program expenditures made by the State or Tribe. The Federal share of administrative expenditures for the programs on this report is calculated at the 50 percent FFP rate, while the Federal share of expenditures for training is calculated at FFP rates ranging from 55 to 75 percent, depending on the nature of the training and the fiscal year in which the costs were incurred.

**Foster Care Candidates (Pre-Placement).** Children are considered as in a “pre-placement” status when determined by the IV-E agency as at imminent risk of removal from home as evidenced by the agency either pursuing his/her removal from the home or making reasonable efforts to prevent such removal and a decision that the out of home placement for the child will be a foster care setting. Appropriate documentation supporting this determination as prescribed in Departmental policy (see the ACF Children’s Bureau Child Welfare Policy Manual) must be maintained and the IV-E agency must make, not less often than every 6 months, a determination (or redetermination) as to whether the child remains at imminent risk of removal from the home. A child may not be simultaneously both in foster care placement and a candidate for foster care.

**Foster Care (In-Placement).** Children are considered as “in-placement” in a foster care setting where 24-hour substitute care is provided for children placed away from their parents or guardians and for whom the IV-E agency has placement and care responsibility. This includes, but is not limited to, placements in foster family homes, foster homes of relatives, group homes, emergency shelters, residential facilities, child care institutions, and pre-adoptive homes. A child is in foster care in accordance with this definition regardless of whether the foster care facility is licensed and payments are made by the State/Tribal or local agency for the care of the child, whether adoption subsidy payments are being made prior to the finalization of an adoption, or whether there is Federal funding of any payments that are made.

**Federally Recognized Tribe.** Any Indian tribe, band, nation, or other organized group or community, including any Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act, which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians. (See Section 4 of the “Indian Self-Determination and Education Assistance Act of 1975.”)

**Line by Line Instructions**

**Part 1: Expenditures and Estimates**

**SECTION A: FOSTER CARE**

**Line 1. Maintenance Assistance Payments (FMAP Rate).** Enter the payments, as defined in Section 475(4)(A) of the Act, made on behalf of children determined eligible for Foster Care services. Amounts entered on this line are only those payments made directly by the IV-E agency. This must be a “net” amount, reduced by any income specifically attributable to these payments (e.g. returned checks, overpayment refunds. etc.).

The Federal share of these payments (as entered in Columns B, D and F) is computed using the applicable FMAP rate for the State or Tribe.

❖ *(Enter this amount directly on this form.)*

**Line 2. Tribe/State Agreement Maintenance Assistance Payments (at the applicable FMAP Rate).**

- **TRIBES:** *Leave this line blank.*
- **STATES:** *This line is applicable only to States that have IV-E agreements with Tribes.*

Enter the payments, as defined in Section 475(4)(A) of the Act, made on behalf of children determined eligible for Foster Care services under title IV-E.

Amounts entered on this line are those payments incurred by the State IV-E agency in accordance with a Tribe/State title IV-E agreement with a Federally recognized Tribe. This must be a “net” amount, reduced by any income specifically attributable to these payments (e.g. returned checks, overpayment refunds. etc.).

The Federal share of these payments (as entered in Columns B, D and F) is computed using either the State or Tribe FMAP rate, *whichever is higher*. If the State has multiple agreements with multiple Tribes, this computation is performed separately for the payments made on behalf of each Tribe, with careful attention made to entering the correct amounts in the Federal share columns.

If the State does not have any Tribal agreements no entries should be made on this line.

❖ *(Enter this amount directly on this form.)*

**Line 3. Federal Share of Child Support Collections.** Enter the Federal share of Child Support Collections.

❖ *(The Current Quarter amount in column B is carried from the amount calculated on Line 10a, Col G, of Form OCSE-34A, the “Child Support Enforcement Program Quarterly Report of Collections”)*

❖ *The Next Quarter Estimate in Column F is determined based on historical trends.*

**Line 4. Net Maintenance Assistance Payments.** Enter the net amount of assistance payments being claimed and estimated for Federal funding in columns B and D respectively.

❖ *(Calculated as the sum of Lines 1 and 2 minus Line 3)*

**Line 5. In-Placement Administrative Costs - Case Planning and Management.** Enter the amount expended for title IV-E eligible children in a Foster Care placement for the development, review or revision of case plans or the supervision or management of cases. Case planning activities largely comport with the “case plan” and “case review system” requirements as defined in Section 475(1) & (5), respectively of the Social Security Act. Examples of activities included within case management are referral to services, preparation for and participation in judicial proceedings and placement of the child. It should be noted that costs incurred for similar activities on behalf of children not in foster care but determined as candidates for title IV-E foster care must be reported separately on Line 10.

❖ *(Enter this amount directly on this form.)*

**Line 6. In-Placement Administrative Costs - Eligibility Determination.** Enter the amount directly related only to those activities involved in the actual verification and documentation of title IV-E eligibility on behalf of children in a foster care placement. Costs for staff responsible for the determination of eligibility for a number of programs including title IV-E Foster Care must be allocated to the appropriate benefiting program. Activities related to judicial determinations, placement of the child or periodic court or administrative reviews are not a component of eligibility determination costs.

❖ *(Enter this amount directly on this form.)*

**Line 7. In-Placement Administrative Costs - Provider Management.** Enter the amount of expenditures for foster care provider related in-placement foster care administrative activities, not included in Lines 5 and 6, whose costs may be directly chargeable or partially allocable to title IV-E foster care. Examples of provider management type activities include foster parent recruitment, the licensing/approval of foster homes & child care institutions, the conducting of criminal records and child abuse registry checks of a foster family home or an institution, the holding of foster care related fair hearings and operation of a rate setting or rate monitoring unit.

❖ *(Enter this amount directly on this form.)*

**Line 8. In-Placement Administrative Costs – Agency Management.** Enter the amount of expenditures for any other allowable foster care in-placement program management administrative activities incurred by the IV-E agency, not included in Lines 5, 6 or 7, whose costs may be directly chargeable or partially allocable to title IV-E foster care. Examples of agency program management activities potentially associated with the administration of foster care are the allocated share of non-SACWIS automated data processing activities, policy development, data collection and reporting, financial management (i.e. processing of checks and preparation of claiming schedules), administration associated with the provision of training, operation of a quality assurance system and a proportionate share of related agency overhead.

Expenditures reported on this line must be the net amount after being offset by the total amount of any income that may result from the operation of the program (e.g. fees charged for the conduct of out-of-state requested home studies). Such program income does not include child support collections reported on line 3.

❖ *(Enter this amount directly on this form.)*

**Line 9. Total In-Placement Foster Care Administrative Costs.** The total amount of foster care (in-placement) administrative expenditures being claimed for Federal funding. (Expenditures for the development and operation of a SACWIS includes incurring costs for title IV-E foster care and certain other programs in accordance with requirements in Federal regulations at 45 CFR 1355.53 are reported separately on Lines 11-14 and are not included in the amount reported as in-placement foster care administration.)

❖ *(Calculated as the sum of Lines 5 through 8.)*

**Line 10. Candidate Administrative Costs - Pre-Placement Activities.** Enter the amount for allowable pre-placement activities applicable to individual children who have been determined as candidates for placement in title IV-E-Foster Care. Such a child must be at imminent risk of removal from home as evidenced by the IV-E agency either pursuing his/her removal from the home or making reasonable efforts to prevent such removal and redetermines at least every six months that the child remains at imminent risk of removal from the home. All allowable administrative costs on behalf of children not in placement must be reported on this line.

❖ *(Enter this amount directly on this form.)*

**Line 11. SACWIS Operational Costs.** Expenditures made for the operation and maintenance of an automated system that either in accordance with the terms of an approved advance planning document (APD) for a partially completed system or where an APD is no longer required for a completed system (APD has been closed out by ACF) is determined by ACF to meet the requirements to be designated as a Statewide Automated Child Welfare Information System (SACWIS). Reported expenditures must be allocated in accordance with Federal regulations at 45 CFR 1355.57 through use of an approved cost allocation plan as per 45 CFR 95.507. Do not include planning, design, development, implementation or enhancement costs.

Where an APD is required, no expenditures may be claimed on this line unless approved in accordance with the provisions of 45 CFR Part 95 Subpart F.

Do not include:

- Automated data processing (ADP) costs associated with the development, purchase or operation of non-SACWIS systems used in day-to-day office procedures. These are routine administrative costs that are reported on Line 8.

❖ *(Enter this amount directly on this form.)*

**Line 12. SACWIS Developmental Costs (Under the Terms of an Approved APD) - Project 1.**

Enter on this line expenditures made in accordance with the terms of an approved APD for the planning, design, development, implementation or enhancement of an automated Statewide Automated Child Welfare Information System (SACWIS). No expenditures may be claimed on this line unless approved in accordance with the provisions of 45 CFR Part 95 Subpart F. Where a State has more than one SACWIS project with approved APDs, the amounts reported on this line are those attributable to the initial SACWIS or to a developmental effort designated as SACWIS "Project 1."

Do not include:

- Expenditures made under an approved APD for a SACWIS "Project 2." Those expenditures are reported on Line 13.
- Operation and maintenance costs. These costs are reported on Line 11.
- Automated data processing (ADP) costs associated with the development, purchase or operation of non-SACWIS systems used in day-to-day office procedures, such as personnel, payroll, travel, etc. These are routine administrative costs that are reported on Line 8.
  - ❖ *(Enter this amount directly on this form.)*

**Line 13. SACWIS Developmental Costs (Under the Terms of an Approved Advance Planning Document - Project 2.**

If a State has initiated more than one SACWIS project, enter on this line expenditures made in accordance with the terms of an approved APD for "Project 2" for the planning, design, development, implementation or enhancement of an automated SACWIS. No expenditures may be claimed on this line unless approved in accordance with the provisions of 45 CFR Part 95 Subpart F. Where a State does not have an approved APD designated for a SACWIS Project 2, no entry should be made on this line.

Do not include:

- Expenditures made under an approved APD for a SACWIS "Project 1." Those expenditures are reported on Line 12.
- Operation and maintenance costs. These costs are reported on Line 11.
- Automated data processing (ADP) costs associated with the development, purchase or operation of non-SACWIS systems used in day-to-day office procedures, such as personnel, payroll, travel, etc. These are routine administrative costs that are reported on Line 8.
  - ❖ *(Enter this amount directly on this form.)*

**Line 14. SACWIS Developmental Costs. (No Advanced Planning Document required.)**

Expenditures made by a IV-E agency that has completed a SACWIS development APD project and has initiated further SACWIS development work for activities and costs which do not meet the applicable threshold requiring prior written approval (see 45 CFR 95.611). An example of such an activity could be development of modifications to existing system screens to reflect statutorily or other required changes. Cumulative expenditures reported on this line should be carefully tracked by the IV-E agency to assure that the applicable prior approval threshold has not been reached.

Do not include:

- Automated data processing (ADP) costs associated with the development, purchase or operation of non-SACWIS systems used in day-to-day office procedures, such as personnel, payroll, travel, etc. These are routine administrative costs that to the extent allocable to title IV-E foster care are reported on Line 8.
  - ❖ *(Enter this amount directly on this form.)*

**Line 15. Training Costs - Staff and Provider (At the 75 percent FFP rate).** Enter the appropriate allocated amount for expenditures incurred for the development, delivery or participation by eligible individuals in training in accordance with applicable Federal regulations at 45 CFR 235.63 through 235.66(a) & 1356.60(b)(1). The training topics must be closely related to one of the examples of



allowable administrative activities cited in 45 CFR 1356.60(c)(1) and (2). All training activities and costs funded under title IV-E shall be included in the title IV-E agency's training plan for title IV-B.

Do not report expenditures for the training of ineligible individuals or for training on topics not determined as title IV-E eligible. Some costs associated with title IV-E training such as those derived through the application of an indirect cost rate may not qualify as training costs. To the extent that any such amount may be allocable to title IV-E Foster Care and qualify as an allowable administrative cost, it should be reported on line 8.

❖ *(Enter this amount directly on this form.)*

**Line 16. Training Costs - Professional Partner (At Transitional FFP Rates).** Enter the appropriate allocated amount for allowable expenditures incurred for the development and delivery of short-term training related to title IV-E foster care to:

- State/Tribe-licensed or State/Tribe-approved child welfare agency staff providing services to children receiving title IV-E assistance;
- Child abuse and neglect court personnel;
- Agency, child or parent attorneys;
- Guardians ad litem; and;
- Court appointed special advocates.

All training activities and costs funded under title IV-E shall be included in the title IV-E agency's training plan for title IV-B.

This training must be in accordance with section 474(a)(3)(B) of the Act and is eligible for Federal funding at an FFP rate that increases each year over a five-year "transitional" period:

- 55 percent in FY 2009;
- 60 percent in FY 2010;
- 65 percent in FY 2011;
- 70 percent in FY 2012;
- 75 percent in FY 2013 and thereafter (see section 203(b) of P.L. 110-351).

Some costs associated with title IV-E training such as those derived through the application of an indirect cost rate may not qualify as training costs. To the extent that any such amount may allowable as a title IV-E administrative cost, it should be reported on line 8.

❖ *(Enter this amount directly on this form.)*

**Line 17. Demonstration Project Costs.** Enter the amount for approved demonstration projects for Foster Care authorized under Section 1130 of the Social Security Act, excluding expenditures for Control/Comparison groups as computed on Part 3 of this form.

❖ *(This amount is carried from the amount calculated on Part 3, Line 17 of this form.)*

**Line 18. Total Costs.** Enter the total expenditures being claimed for the current quarter (Columns A and B) and for prior quarters (Columns C and D) and the expenditures being estimated for the next quarter (Column E and F).

❖ *(Calculated as:*

- Cols. A and C: Sum of Lines 1 + 2 + 9 through 17;
- Cols. B and D: Sum of Lines 4 + 9 through 17;
- Col. E: Sum of Lines 1 + 2 + 12 through 17 and
- Col. F: Sum of Lines 4 + 12 through 17

**Line 19. Non-Federal (State or Tribe) Share of Total Costs.** Enter in Columns B, D and F the State/Tribe share amount of total reported costs for the current quarter, prior quarter adjustments and for next quarter estimates. These are the funds that the IV-E agency has expended in the current or

a prior quarter or is certifying that will be made available, when needed, for the required State/Tribe share of program costs in the next quarter.

- *For States:* Include funds appropriated by the State legislature for these purposes.
- *For Tribes:* Include funds appropriated by the Tribe and certain types and levels of in-kind expenditures (or contributions) by certain third parties, if any. (See instructions for Line 20)
  - ❖ *(Calculated as:*
    - Col. B = Line 18, Col. A minus Line 18, Col. B;
    - Col. D = Line 18, Col. C minus Line 18, Col. D and
    - Col. F = Line 18, Col. E minus Line 18, Col. F).

**Line 20. Tribal Share of Costs From Third Party In-Kind Sources.**

- **TRIBES:** Complete this line.
- **STATES:** Leave this line blank. This information is not applicable to States.

Enter in Columns B, D and F the portion of the amount reported on Line 19 derived from third party in-kind expenditures.

Tribes are permitted by statute to use in-kind expenditures from certain third party sources as a portion of its share of administrative and training costs. The option for Tribes to partially utilize in-kind expenditures is available only for certain fiscal years, from certain sources and up to specified limits in accordance with section 479B(c)(1)(D) of the Act and applicable regulations.

- ❖ *(Enter this amount directly on this form.)*

**SECTION B: ADOPTION ASSISTANCE**

**Line 21. Adoption Assistance Payments (FMAP Rate).** Enter the payments made by the IV-E agency in accordance with an Adoption Assistance agreement entered prior to the finalization of the adoption on behalf of children with special needs, as defined in section 473(c) of the Act, determined eligible under title IV-E in accordance with Section 473(a)(2) of the Act.

Amounts entered on this line are only those payments made directly by the IV-E agency. This must be a “net” amount, reduced by any income specifically attributable to these payments (e.g. returned checks, overpayment refunds. etc.).

The Federal share of these payments (as entered in Columns B, D and F) is computed using the applicable FMAP rate for the State or Tribe.

- ❖ *(Enter this amount directly on this form.)*

**Line 22. Tribe/State IV-E Agreement Adoption Assistance Payments (Applicable FMAP Rate).**

- **TRIBES:** Leave this line blank.
- **STATES:** This line is applicable only to States that have IV-E agreements with Tribes.

Enter the payments made in accordance with an Adoption Assistance agreement entered prior to the finalization of the adoption on behalf of children with special needs (as defined in section 473(c) of the Social Security Act) determined eligible under title IV-E in accordance with Section 473(a)(2) of the Act.

Amounts entered on this line are those payments incurred by the State IV-E agency in accordance with a Tribe/State title IV-E agreement with a Federally recognized Tribe. This must be a “net” amount, reduced by any income specifically attributable to these payments (e.g. returned checks, overpayment refunds. etc.).

The Federal share of these payments (as entered in Columns B, D and F) is computed using either the State or Tribe FMAP rate, whichever is higher. If the State has multiple agreements with multiple Tribes, this computation is performed separately for the payments made on behalf of each Tribe, with careful attention made to entering the correct amounts in the Federal share columns.

If the State does not have any Tribal agreements no entries should be made on this line.

❖ *(Enter this amount directly on this form.)*

**Line 23. Administrative Costs - Agency.** Enter the amount of expenditures for administrative activities allocable to the Adoption Assistance Program, in accordance with an approved public assistance cost allocation plan under Federal regulations at 45 CFR 95.507 (States) or an approved child welfare cost allocation methodology (Tribes). (Expenditures for non-recurring administrative costs are reported on Line 24.) Administrative expenditures reported on this line must be a “net” amount, offset by the amount of any income that may result from the operation of the program.

❖ *(Enter this amount directly on this form.)*

**Line 24. Administrative Costs - Non-Recurring** Enter the amount of expenditures for nonrecurring adoption expenses. These are costs incurred in accordance with an adoption assistance agreement entered into prior to the finalization of the adoption of a child who meets the definition of special needs. (See section 473 (c) of the Act.) These costs are limited to \$2,000 for each adoptive placement or at a lower limit set by the State or Tribe.

The child does not have to be under the responsibility for placement and care of the title IV-E agency in order for the adoptive parents to be reimbursed for the nonrecurring expenses of adoption. In accordance with 45 CFR 1356.41(i), non-recurring costs include the reasonable and necessary adoption fees, court costs, attorney fees and other expenses which are directly related to the legal adoption of a child with special needs, which are not incurred in violation of State or Federal law, and which have not been reimbursed from other sources or funds.

❖ *(Enter this amount directly on this form.)*

**Line 25. Training Costs - Staff and Provider (At the 75 percent FFP rate).** Enter the amount for expenditures incurred for the development, delivery or participation by eligible individuals in training in accordance with applicable Federal regulations at 45 CFR 235.63 through 235.66(a) & 1356.60(b)(1). The training topics must be closely related to one of the examples of allowable administrative activities cited in 45 CFR 1356.60(c)(1) and (2).

Do not report expenditures for the training of ineligible individuals or for training on topics not determined as title IV-E eligible. To the extent that any such amount may be allocable to title IV-E Adoption Assistance and qualify as an allowable administrative cost, it should be reported on line 23. Some costs associated with title IV-E training such as those derived through the application of an indirect cost rate may not qualify as training costs.

❖ *(Enter this amount directly on this form.)*

**Line 26. Training Costs - Professional Partner (At Transitional FFP Rates).** Enter the appropriate allocated amount for expenditures incurred for the development and delivery of short-term training in title IV-E adoption assistance topics to:

- State-licensed or State-approved child welfare agency staff providing services to children receiving title IV-E assistance;
- Child abuse and neglect court personnel;
- Agency, child or parent attorneys;
- Guardians ad litem; and
- Court appointed special advocates.

This training must be in accordance with section 474(a)(3)(B) of the Act and is eligible for Federal funding at an FFP rate that increases each year over a five-year “transitional” period:

- 55 percent in FY 2009;
- 60 percent in FY 2010;
- 65 percent in FY 2011;
- 70 percent in FY 2012;
- 75 percent in FY 2013 and thereafter (see section 203(b) of P.L. 110-351).

Some costs associated with title IV-E training such as those derived through the application of an indirect cost rate may not qualify as training costs. To the extent that any such amount may allowable as a title IV-E administrative cost, it should be reported on line 23.

❖ *(Enter this amount directly on this form.)*

**Line 27. Demonstration Project Costs.** Enter the amount for approved demonstration projects for Adoption Assistance authorized under Section 1130 of the Social Security Act, excluding expenditures for Control/Comparison groups, as computed on Part 3 of this form.

❖ *(This amount is carried from the amount calculated on Part 3, Line 17 of this form.)*

**Line 28. Total Costs.** Enter the total expenditures being claimed for the current quarter (Columns A and B) and for prior quarters (Columns C and D) and the expenditures being estimated for the next quarter (Column E and F).

❖ *(Calculated as the sum of Lines 21 through 27.)*

**Line 29. Non-Federal (State or Tribe) Share of Total Costs.** Enter in Columns B, D and F the State/Tribe share amount of total reported costs for the current quarter, prior quarter adjustments and for next quarter estimates. These are the funds that the IV-E agency has expended in the current or a prior quarter or is certifying that will be made available, when needed, for the required State/Tribe share of program costs in the next quarter.

- *For States:* Include funds appropriated by the State legislature for these purposes.
- *For Tribes:* Include funds appropriated by the Tribe and certain types and levels of in-kind expenditures (or contributions) by certain third parties, if any. (See instructions for Line 30)

❖ *(Calculated as:*

- Col. B = Line 28, Col. A minus Line 28, Col. B;
- Col. D = Line 28, Col. C minus Line 28, Col. D and
- Col. F = Line 28, Col. E minus Line 28, Col. F).

**Line 30. Tribal Share of Costs Claimed/Estimated From Third Party In-Kind Sources.**

- **TRIBES: Complete this line.**
- **STATES: Leave this line blank. This information is not applicable to States.**

Enter in Columns B, D and F the portion of the amount reported on Line 19 derived from third party in-kind expenditures.

Tribes are permitted by statute to use in-kind expenditures from certain third party sources as a portion of its share of administrative and training costs. The option for Tribes to utilize in-kind expenditures is available only for certain fiscal years, from certain sources and up to specified limits in accordance with section 479B(c)(1)(D) of the Act and applicable regulations.

❖ *(Enter this amount directly on this form.)*

## SECTION C: GUARDIANSHIP ASSISTANCE

**NOTE: This section is ONLY to be completed by those States or Tribes that have an approved IV-E plan to operate a title IV-E Guardianship Assistance Program or by States that are continuing to incur title IV-E Post-Demonstration Guardianship expenditures after the termination of a title IV-E guardianship assistance demonstration project.**

**Line 31. Guardianship Assistance Payments (FMAP Rate).**

Enter the payments made on behalf of children determined eligible for the Guardianship Assistance Program (GAP) in accordance with section 473(d) of the Act. These payments must be in conformance with a written, binding kinship guardianship assistance agreement entered into with the prospective relative guardian prior to the legal guardianship (See section 473(d)(1)(A) of the Act). Once the relative guardian has committed to care for the child and has assumed legal guardianship for the child consistent with the provisions of sections 471(a)(28) and 475(7) of the Act, the title IV-E agency may then pay kinship guardianship assistance payments on behalf of a child to the relative guardian. Payments may begin no earlier than the first day of the quarter in which the approved title IV-E plan amendment to implement the GAP was submitted to ACF by the State or Tribe (See sections 471(a)(28) and 473(d)(1)(A) of the Act).

Payments reported on this line may include those made on behalf of newly established title IV-E kinship guardianships as well as those made on behalf of any title IV-E eligible kinship guardianships where agreements were established prior to the GAP title IV-E plan submission. These agreements must meet, or must be amended to meet, the requirements of section 473(d)(1)(B) and (C) of the Act before these payments can be reported on this line. Payments made prior to the effective date of the approved title IV-E plan must not be reported.

Amounts entered on this line are only those payments made directly by the IV-E agency. This must be a "net" amount, reduced by any income specifically attributable to these payments (e.g. returned checks, overpayment refunds. etc.).

The Federal share of these payments (as entered in Columns B, D and F) is computed using the applicable FMAP rate for the State or Tribe.

❖ *(Enter this amount directly on this form.)*

**Line 32. Tribe/State IV-E Guardianship Assistance Payments (Applicable FMAP Rate).**

- **TRIBES: *Leave this line blank.***
- **STATES: *This line is applicable only to States that have IV-E agreements with Tribes.***

Enter the payments made on behalf of children determined eligible for the Guardianship Assistance Program (GAP) accordance with section 473(d) of the Act. These payments must be in conformance with a written, binding kinship guardianship assistance agreement entered into with the prospective relative guardian prior to the establishment of legal guardianship per section 473(d)(1)(A) of the Act. Once the relative guardian has committed to care for the child and has assumed legal guardianship for the child consistent with sections 471(a)(28) and 475(7) of the Act, the title IV-E agency may then pay kinship guardianship assistance payments on behalf of a child to the relative guardian. Such payments may begin no earlier than the first day of the quarter in which the approved title IV-E plan amendment to implement the GAP was submitted to ACF by the State (section 471(a)(28) and 473(d)(1)(A) of the Act).

Payments reported on this line may include those made on behalf of newly established title IV-E kinship guardianships as well as those made on behalf of any title IV-E eligible kinship guardianships where agreements were established prior to the GAP title IV-E plan submission. These agreements must meet, or must be amended to meet, the requirements of section 473(d)(1)(B) and (C) of the Act

before these payments are reported on this line. Payments made prior to the effective date of the approved title IV-E plan must not be reported.

Amounts entered on this line are those payments incurred by the State IV-E agency in accordance with a Tribe/State title IV-E agreement with a Federally recognized Tribe. This must be a “net” amount, reduced by any income specifically attributable to these payments (e.g. returned checks, overpayment refunds. etc.).

The Federal share of these payments (as entered in Columns B, D and F) is computed using either the State or Tribe FMAP rate, whichever is higher. If the State has multiple agreements with multiple Tribes, this computation is performed separately for the payments made on behalf of each Tribe, with careful attention made to entering the correct amounts in the Federal share columns.

If the State does not have any Tribal agreements no entries should be made on this line.

❖ *(Enter this amount directly on this form.)*

**Line 33. Administrative Costs - Agency.** Enter the amount of expenditures for allowable administrative activities undertaken or incurred by the IV-E agency that are allocable to the GAP. Such expenditures must be allocated in accordance with an approved cost allocation plan as per Federal regulations at 45 CFR 95.507 (States) or an approved child welfare cost allocation methodology (Tribes).

Amounts reported on this line must be a “net” amount, offset by any income that may result from the operation of the program. Any non-recurring costs associated with obtaining legal guardianship should be separately identified and reported on Line 34.

❖ *(Enter this amount directly on this form.)*

**Line 34. Administrative Costs - Non-Recurring.** Enter the amount of expenditures for allowable non-recurring expenses associated with obtaining legal guardianship of an eligible child, to the extent that the total cost does not exceed \$2,000 and is incurred in accordance with a kinship guardianship assistance agreement entered into with a qualified relative guardian prior to obtaining legal guardianship.

❖ *(Enter this amount directly on this form.)*

**Line 35. Training Costs – Staff and Provider (At the 75 percent FFP rate).** Enter the amount for expenditures incurred for the development, delivery or participation by eligible individuals in training in accordance with applicable Federal regulations at 45 CFR 235.63 through 235.66(a) & 1356.60(b)(1)(i). The training topics must be closely related to one of the examples of allowable administrative activities cited in 45 CFR 1356.60(c)(1) and (2).

Do not report expenditures for the training of ineligible individuals or for training on topics not determined as title IV-E eligible. Some costs associated with title IV-E training such as those derived through the application of an indirect cost rate may not qualify as training costs. To the extent that any such amount may be allocable to title IV-E Guardianship Assistance and qualify as an allowable administrative cost, it should be reported on line 33.

❖ *(Enter this amount directly on this form.)*

**Line 36. Training Costs - Relative Guardian and Professional Partner (At Transitional FFP Rates).** Enter the appropriate allocated amount for expenditures incurred for the development and delivery of short-term training in title IV-E Guardianship Assistance. Eligible training participants include:

- relative guardians,

- State-licensed or State-approved child welfare agency staff providing services to children receiving title IV-E assistance;
- child abuse and neglect court personnel;
- agency, child or parent attorneys;
- guardians ad litem; and,
- court appointed special advocates.

All training activities and costs funded under title IV-E shall be included in the IV-E agency's training plan for title IV-B. This training must also be in accordance with section 474(a)(3)(B) of the Act and is eligible for Federal funding at an FFP rate that increases each year over a five-year "transitional" period:

- 55 percent in FY 2009;
- 60 percent in FY 2010;
- 65 percent in FY 2011;
- 70 percent in FY 2012;
- 75 percent in FY 2013 and thereafter (see section 203(b) of P.L. 110-351).

Some costs associated with title IV-E training such as those derived through the application of an indirect cost rate may not qualify as training costs. To the extent that any such amount may allowable as a title IV-E administrative cost, it should be reported on line 33.

❖ *(Enter this amount directly on this form.)*

**Line 37. Post-Demonstration Guardianship Assistance and Services Costs.**

- **TRIBES: Leave this line blank.**
- **STATES: This line is applicable only to States that operate Guardianship Assistance Demonstration Projects.**

Enter the amount for "title IV-E Post-Demonstration Guardianship" expenditures. This line is applicable only for those States with approved waiver demonstration projects providing kinship guardianship assistance or services pursuant to section 1130 of the Act that have ended. Expenditures associated with continued operation or close-out of the demonstration project are to be reported in Part 3 of this report. Upon termination of such a project, the title IV-E State agency may continue to claim title IV-E for the same assistance and services under the same terms and conditions that a child received under a kinship guardianship demonstration project as of September 30, 2008. The IV-E costs of such operations must be reported on this line. This claiming authority exists whether or not the State opts to operate a GAP pursuant to 473(d) of the Act (section 474(g) of the Act). These States must complete Section C even though the option to operate a GAP has not been exercised.

In the event that there are children that began participation in an approved waiver demonstration project providing assisted guardianship on or after October 1, 2008 where the project has now been terminated, any continuing expenditures on behalf of these children incurred after termination are not to be reported on this line. Such costs may be title IV-E allowable only if the State has an approved GAP title IV-E plan amendment and then only to the extent that all title IV-E eligibility and other applicable requirements are met. If these conditions are met, expenditures on behalf of such children must be reported as part of the State title IV-E agency's GAP claims on lines 31 and 33.

❖ *(Enter this amount directly on this form.)*

**Line 38. Total Costs.** Enter the total expenditures being claimed for the current and prior quarters and the total estimate for the next quarter.

❖ *(Calculated as the sum of Lines 31-37.)*

**Line 39. Non-Federal (State or Tribe) Share of Total Costs.** Enter in Columns B, D and F the State/Tribe share amount of total reported costs for the current quarter, prior quarter adjustments and

for next quarter estimates. Including in-kind contributions from third party sources, applicable only to Tribal IV-E programs (see Line 40), these are the funds that the IV-E agency has expended or is certifying (for estimate purposes) will be made available for the required State/Tribe share of program costs.

- *For States:* Include funds appropriated by the State legislature for these purposes.
- *For Tribes:* Include funds appropriated by the Tribe and certain types and levels of in-kind expenditures (or contributions) by certain third parties, if any. (See instructions for Line 40)

(Calculated as follows:

- Col. B = Line 38, Col. A minus Line 38, Col. B;
- Col. D = Line 38, Col. C minus Line 38, Col. D and
- Col. F = Line 38, Col. E minus Line 38, Col. F).

**Line 40. Tribal Share of Costs Claimed/Estimated From Third Party In-Kind Sources.**

- **TRIBES:** *Complete this line.*
- **STATES:** *Leave this line blank. This information is not applicable to States.*

Enter in Columns B, D and F the portion of the amounts reported on Line 39 derived from third party in-kind expenditures.

Tribes are permitted by statute to use in-kind expenditures from certain third party sources as a portion of its share for administrative and training costs. The option for Tribes to utilize in-kind expenditures is available only for certain fiscal years, from certain sources and up to specified limits in accordance with section 479B(c)(1)(D) of the Act and applicable regulations.

- ❖ (Enter this amount directly on this form.)

**SECTION D: AVERAGE MONTHLY NUMBER OF CHILDREN ASSISTED**

**Report the requested information for the current quarter claims (actual) and for the next quarter estimates (estimate).**

▪ **Foster Care Program**

**Line 41. Number of Children: In-Placement - Title IV-E Maintenance Assistance Payments.**

Enter the average monthly number of children for whom the payments reported on Lines 1 and 2 were made for the current quarter and are estimated to be made for the next quarter.

**Line 42. Number of Children: In-Placement - Title IV-E Funded Administrative Costs.** Enter the average monthly number of children on whose behalf title IV-E in-placement administrative costs reported on Line 9 were incurred or are estimated excluding any children for whom an eligibility determination was the only activity performed. This number includes all of the children reported on Line 41 (determined to meet all title IV-E eligibility criteria), but may also include certain other children where any assistance payments provided are not claimed as title IV-E maintenance assistance payments (e.g. SSI).

In accordance with section 472(i) of the Social Security Act, the State may submit a title IV-E claim for administrative costs on behalf of an otherwise eligible child placed in an unlicensed or unapproved relative home for 12 months or the average length of time it takes the State to license or approve a foster family home, whichever is less. During this time, an application for licensure or approval of the



relative home as a foster family home must be pending (section 472(i)(1)(A) of the Social Security Act). The State is prohibited from claiming administrative costs for a child placed in an unlicensed or unapproved foster family home where the foster parent is not related to the child. A relative is defined by section 406(a) of the Social Security Act as in effect on July 16, 1996, and implemented in 45 CFR 233.90(v). States may also claim administrative costs on behalf of an otherwise IV-E eligible child for a period of not more than one calendar month when a child moves from a facility not eligible for payments under title IV-E into a foster family home or child care institution licensed or approved by the State (section 472(i)(1)(B) of the Social Security Act). All such claims must also be in accordance with an approved cost allocation plan as per Federal regulations at 45 CFR 95.507.

**Line 43. Number of Children: In-Placement - Any Payments or Administrative Costs.** Enter the average monthly number of all children in foster care for whom any payments were made and/or administrative costs incurred (regardless of funding source). This includes all children in foster care (including those title IV-E eligible children reported on Line 42) whether or not title IV-E eligible. Foster care is defined at 45 CFR 1355.20 as 24 hour substitute care for all children placed away from their parent(s) or guardian(s) and for whom the State agency has placement and care responsibility. Common examples of funding sources used by some IV-E agencies for foster care include title IV-E, TANF, SSI and State/Tribe-only categories.

**Line 44. Number of Children: Pre-Placement –Title IV-E Funded Administrative Costs.** Enter the average monthly number of children on whose behalf title IV-E candidate pre-placement administrative costs reported on Line 10 were incurred. These are children at imminent risk of removal from home. The State agency is either pursuing his/her removal from the home or making reasonable efforts to prevent such removal. Thus, the IV-E agency has determined they are “candidates” for foster care and has made a determination (or redetermination) as to whether the child remains at imminent risk of removal from the home. If pre-placement cost claims are derived through application of an allocation statistic such as the foster care eligibility rate to a pool of candidate cases, the number to be reported is the average monthly number of children in that pool multiplied by the applicable allocation statistic. For example, if the total average monthly population of foster care candidates is 1,000 children and a caseload eligibility allocation statistic of 50% is used (in accordance with an approved cost allocation plan) to identify the title IV-E component of the cost pool(s) associated with foster care candidate cases, the IV-E agency should report 500 (1,000 x 50%) as the title IV-E pre-placement caseload.

▪ **Adoption Assistance Program**

**Line 45. Number of Children: Title IV-E Assistance Payments.** Enter the average monthly number of children for whom the title IV-E adoption assistance payments reported on Lines 21 and 22 were made for the current quarter and are estimated to be made for the next quarter.

**Line 46. Number of Children: Any Assistance Payments.** Enter the average monthly number of children for whom the IV-E agency made any adoption assistance payments (regardless of funding source). This includes all children in subsidized adoptive homes (including those title IV-E eligible children reported on Line 45) whether or not title IV-E eligible. Adoption is as defined at 45 CFR 1355.20. Adoption assistance is any recurring payment made in accordance with an adoption assistance agreement.

**Line 47. Number of Children: Title IV-E Non-Recurring Administrative Cost Expenses.** Enter the average monthly number of children on whose behalf a non-recurring cost was reported on Line 24. It should be noted that the portion of these children on whose behalf title IV-E adoption assistance payments are being made will also be reported on line 45.

▪ **Guardianship Assistance Program**

**NOTE:** The following lines are only to be completed by those States or Tribes that have an approved IV-E plan to operate a title IV-E Guardianship Assistance Program or by States that are continuing to incur title IV-E Post-Demonstration Guardianship expenditures after the termination of a title IV-E guardianship assistance demonstration project.

**Line 48. Number of Children: Title IV-E Assistance Payments.** Enter the average monthly number of children for whom the title IV-E kinship guardianship assistance payments reported on Lines 31 and 32 were made for the current quarter and are estimated to be made for the next quarter.

**Line 49. Number of Children: Any Assistance Payments.** Enter the average monthly number of children for whom the title IVE agency made any guardianship assistance payments. This includes all children in assisted guardian homes (including those title IV-E eligible children reported on Line 48) whether or not title IV-E eligible. Guardianship assistance is any recurring payment made in accordance with a guardianship assistance agreement.

**Line 50. Number of Children: Title IV-E Non-Recurring Administrative Cost Expenses.** Enter the average monthly number of children on whose behalf a non-recurring cost was reported on Line 34.

**Line 51. Number of Children: Title IV-E Post-Demonstration Guardianship Assistance or Services.**

- **TRIBES:** Leave this line blank.
- **STATES:** This line is applicable only to States that operate Guardianship Assistance Demonstration Projects.

Enter the average monthly number of children for whom the title IV-E Post-Demonstration Guardianship Assistance or Services reported on Line 37 were made for the current quarter and are estimated to be made for the next quarter.

## **Part 2: Prior Quarter Expenditure Adjustments**

This part must be submitted as a supplemental supporting document whenever a "Prior Quarter Adjustment" (Columns B and C) is reported in Part 1 of this form. A net adjustment reported in Part 1 will be comprised of one or more increasing or decreasing components. Each individual adjustment is to be shown and reported separately by increasing and decreasing components, if applicable. (This requirement remains in effect in instances where the combination of increasing and decreasing adjustments produced a net result of zero dollars for the Federal share of prior quarter adjustments in Part 1.) If the space provided is insufficient for the number of components being reported, use as many additional sheets as necessary to properly report these items, annotating each sheet as appropriate (i.e., sheet 2 of 3)

### **General Instructions:**

- Indicate whether this Part is for prior quarter claims under the Foster Care, Adoption Assistance or Guardianship Assistance programs. Include as many copies of Part 2 as needed; complete a separate copy for each program for which you are reporting adjustments.
- Enter the State/Tribe name.
- Enter the ending date of the current quarter from Part 1.
- Check the box to indicate whether this is a new report or a revision to a report previously submitted.

### **Definitions:**

**Section A: Increasing Adjustments.** Each increasing component of the net adjustments included in Part 1. (**Note:** In accordance with Section 1132 of the Social Security Act and 45 CFR 95, Subpart A, claims for increasing adjustments are unallowable unless submitted within two years of the original expenditure date, or otherwise meet one of the "exception" criteria found in the statute and regulations.)

**Section B: Decreasing Adjustments.** Each decreasing component of the net adjustments included in Part 1. The decreasing adjustments should be entered as positive numbers on this form.

- **Column A: Total Adjustment.** The combined Federal/State total of each adjustment.
- **Column B: Federal Share of Adjustment:** Determine the Federal share of each adjustment by multiplying the amount in column (A) by the FFP or FMAP rate applicable to the nature of the expenditure and the prior quarter in which it was made.
- **Column C: Funding Category** Indicate the funding category of the component(s) on each line. These are described at the bottom of the form.
- **Column D: Applicable to Fiscal Quarter Ended.** Indicate the ending date (Month and Year) applicable to the adjustment being reported. Where a single adjustment encompasses several calendar quarters, the portion applicable to each quarter must be shown on a separate line.
- **Column E: Audit Number (if applicable) / Other comments.** If the adjustment was the result of recommendations contained in an audit report, indicate the audit control number. If the adjustment was the result of a disallowance, identify it as such. In addition, use this space

for any other comments relevant to the adjustment, including an explanation for any increasing adjustment submitted beyond the two year claiming deadline.

**Total Increasing Adjustments (Section A) / Total Decreasing Adjustments (Section B):** The last line in each section should be the total of the entries for that section, combining all copies of this form needed.

**Net Adjustments.** For both Columns A and B, subtract the Total Decreasing Adjustments in Section B from the Total Increasing Adjustments in Section A. The amounts entered in Columns A and B on this line must be equal to the amounts entered in Columns C and D on Line 18 (Foster Care), Line 28 (Adoption Assistance) or Line 38 (Guardianship Assistance) of Part 1 of this form.

**Submittal and Revisions.** Part 2 is an attachment to Part 1. A Part 2 should be submitted whenever an initial or revised Part 1 is being submitted. A revised Part 2 should include all prior quarter adjustments (including those that are unchanged from the initial submission) that are applicable to the current reporting quarter. A revision to this Part is subject to the same restrictions, procedures and requirements as stated for Part 1.

### Part 3: Demonstration Projects

**(THIS PART IS NOT APPLICABLE TO TRIBES.**

**This Part is only applicable to those States that have an approved title IV-E Waiver Demonstration Project.)**

#### FOSTER CARE AND ADOPTION ASSISTANCE DEMONSTRATION PROJECTS

##### General Instructions:

This Part should be completed quarterly by any State with an approved title IV-E waiver demonstration. All entries should be made in accordance with the State's approved waiver demonstration terms and conditions. Particular attention should be given to sections B and C, which will require development and maintenance of State schedules to accumulate needed cost data. In this context, States may wish to consider the need to develop specific demonstration fiscal operational procedures. These procedures, to the extent agreed to by ACF, will govern the calculation of reported amounts.

It will be necessary to begin using the Part 3 form prior to implementation of the demonstration since developmental costs and estimates of future quarterly expenditures are sought. It will be necessary to continue using Part 3 for a period after completion of the demonstration since evaluation costs may continue to be incurred (in accordance with the approved terms and conditions). Prior quarter adjustments may be reportable either for the demonstration cases or impact the demonstration through adjustment to amounts used in the cost neutrality formula. Technical assistance in the assembling of claiming documentation and the completion of Part 3 is available from ACF Regional Offices.

Amounts reported could be for either foster care or adoption assistance depending on which component of title IV-E has been waived. Should a State operate under waivers for both foster care and adoption assistance, costs for the two components must be reported separately on two forms. Each form should be checked to indicate whether foster care or adoption assistance components are reported.

Columns (A) through (E) should include actual expenditures only. Columns (F) and (G) should include the State's projection of anticipated costs for the next quarter.

Prior quarter adjustments (columns (C) and (D)) should be reported only for periods in which the applicable demonstration program was either operational or under development (for approved developmental costs only). Any amounts for periods prior to that date should be reported in Part 1. All prior quarter adjustments for demonstration costs must also be identified in Part 2. Adjustments for demonstration experimental group costs must be identified as funding activity "FDE" for foster care or "ADE" for adoption assistance in Part 2, column I. Adjustments for control or comparison group costs must be claimed on Parts 1 and 2 of this report and identified as such in the comments column, column (e), on Part 2. Each demonstration will have at least one control or comparison group established as part of the approved operational terms and conditions. This identification supports the appropriate calculation of the cost neutrality limit (CNL) for the overall demonstration program.

Section and Line No.

## **Section A - Quarterly Demonstration Costs**

**Line 1. Experimental Group Operational Expenditures** - Amounts spent on behalf of children participating in the experimental group in any approved and operational title IV-E waiver demonstration project in the State. These costs may cover the items classified as title IV-E maintenance assistance in Section 475(4)(A) of the Social Security Act, administration or training in accordance with Federal regulations at 45 CFR 1356.60 and any additional items or revised eligibility criteria contained in the approved terms and conditions for the waiver demonstration.

Some demonstrations require only the identification of maintenance assistance or administrative costs associated with demonstration cases. In accordance with the approved waiver demonstration terms and conditions, maintenance assistance, administration and State & local training costs, where applicable, should be summed and included on this line. Any amount reported on this line should not be reported in Part 1, lines 1-16 for foster care or lines 21-26 for adoption assistance. These expenditures are to be used in the cost neutrality calculation.

Claims on this line should not include costs on behalf of children participating in the demonstration as part of a control or comparison group. Such amounts are demonstration expenditures, but are reported on line 2 and are utilized in Section B of this report for cost neutrality purposes.

**Line 2. Control/Comparison Group Operational Expenditures** - Amount of expenditure/estimate attributable to children assigned to the demonstration control/comparison group in accordance with the approved terms and conditions. This line includes all appropriate maintenance, administration and/or training costs in accordance with the approved terms & conditions. Any amount reported on this line should also be appropriately reported in Part 1, lines 1-16 for foster care or lines 21-26 for adoption assistance. The dual reporting is necessary since the underlying costs are connected to the demonstration, but remain subject to reimbursement in accordance with existing title IV-E law and policy (without application of any waivers). These expenditures are to be used in the cost-neutrality calculation.

**Line 3. Developmental and Evaluation Costs** - Amount of expenditure/estimate associated with the development of the demonstration proposal and the performance of a project evaluation. This includes administrative and training amounts for activities undertaken before implementation of the demonstration project and for development and ongoing conduct of the evaluation, in accordance with the approved waiver terms and conditions and the State's approved developmental cost and evaluation plans. These demonstration costs and estimates are not subject to the cost-neutrality calculation.

It should be noted that evaluation costs might extend for a period beyond the completion of the demonstration project. In this case, Part 3 must be completed to identify such costs even though there may be no other demonstration expenditures or need for a cost-neutrality calculation.

**Line 4. Total Costs Claimed/Estimated** - Total costs associated with the demonstration program. The amount reported is equal to the sum of lines 1 through 3. This amount shall not be used in calculating the amount reported on Part 1, line 17 for foster care or line 27 for adoption assistance. The amounts on line 17 of this Part should instead be used in calculating the reported amount (see instructions below) in Part 1. This step is necessary to limit the total Federal share in accordance with the cost-neutrality provision.

**Line 5. State Share** - Amount of non-Federal funds applicable to line 4 that the State is certifying as available as matching funds to operate the demonstration.

## **Section B - Cost-Neutrality Calculation**

**Line 6. Cumulative Experimental Group Cost Neutrality Limit (CNL)** - The amount to be entered in columns (E) and (G) (Federal share) should result from calculations in accordance with the approved terms and conditions on cost-neutrality contained in each State's waiver. This represents the maximum amount of Federal funding available through this reporting period for reimbursement of allowable experimental group demonstration project operational expenditures (column E) and future estimates (column G).

The calculation must utilize data on demonstration experimental and control/comparison groups quarterly costs as delineated respectively on lines 1 and 2 in this Part as well, as cost data for any previous quarter(s) in which the demonstration project was operable. The State will also require information on the number of "cases" in both the experimental and the control/comparison groups. A separate spreadsheet identifying the State's CNL calculations should be maintained at the State agency as supporting documentation.

The column (G) amount should equal the column (E) amount plus the State's estimate of the additional CNL amounts projected for the subsequent quarter. If the State's approved demonstration terms and conditions provide for the option of "up-front" payments based upon estimates exceeding the cost-neutrality calculation by up to five percent, the amount entered in column g should include any portion of such additional funding authority sought by the State. If this option is elected, the State must attach figures showing the projected cost neutrality and the additional up-front funding sought along with a narrative explaining the basis for requesting the specified amount of funding in excess of the CNL. Any such funds approved will be subject to reconciliation based upon actual expenditures in accordance with the approved waiver terms and conditions.

**Line 7. Cumulative Demonstration Experimental Group Operational Costs** - This amount consists of the total of line 1 above plus line 7b from the previous quarter's Demonstration Projects report (appropriate column entries). The State must adjust this figure to exclude any expenditure amount not reimbursable due to its removal from the line 11 holding account (amounts in excess of the CNL) because of the expiration of the two-year filing limitation or any amount which is disallowed. If a disallowance action is appealed, the State should not reduce the line 7 total if it decides to retain the funds pending a decision. In addition, should the State prevail in the appeal, a further adjustment to this line may be necessary.

An adjustment may also be made in column g for any portion of a State's previous demonstration project estimate which was not funded through grant award authority. Where any such adjustments are made, states should maintain appropriate supporting work papers identifying the source and basis for the adjustment.

**Line 8. Cumulative Demonstration Control/Comparison Group Operational Expenditures** Total of line 2 above plus line 8 from the previous quarter's Demonstration Projects report.

**Line 9. Experimental Group Operational Costs in Excess of CNL** - Step 1: Line 7 minus line 6. Amounts should be treated as zero (0) if the result is a negative number. A positive number should be recorded as calculated. Step 2: Subtract (from the Step 1 result) any line 7d entries from the previous

quarter's Demonstration Projects report. The final result of these steps (including negative amounts) is entered in column (E) and (G) of this line.

**Line 10. Total Quarterly Fundable Costs/Estimates** - Amounts should initially be reported in column (E) and (G) only. The amount entered is equal to line 4 minus line 9. This is the maximum amount of the reported costs subject to Federal funding as of the date reported. If these expenditure/estimate amounts match the amounts reported in the equivalent columns on line 4, the remaining line 10 columns should be completed by copying data from line 5. If, however, there is a difference between lines 4 and 10, the line 10 total Federal share expenditure amount should then be apportioned between current and prior quarter amounts in accordance with the relative percentages attributable to each category on line 4, columns b and d. The amounts entered in the total computable columns (columns A, C & F) are to be calculated by dividing the Federal share amount (columns B, D & G) by the calculated rate of Federal financial participation (FFP). The calculated FFP rate is equal to the line 4 Federal share amount in the same column divided by the associated total computable column (e.g., col. B/col. A).

**Line 11. Remaining Current & Prior Quarter Costs (Holding Account)** - An entry is required only in column E. The amount reported is equal to the line 9 (current report) plus line 11 from the previous quarter's Demonstration Projects fiscal report minus any adjustments. Adjustments can result from either a determination that an amount is no longer reimbursable or a movement of holding account amounts to line 15 (expenditure of available savings). When demonstration project savings are generated, the State should consider using these funds as reimbursement of holding account expenditures. State supporting work papers should be maintained to demonstrate the results of this analysis of the holding account amount each quarter.

Amounts should not ordinarily remain in the holding account beyond the last quarter during which the associated waiver demonstration project is operational in accordance with the approved terms and conditions. The holding account entry may continue to be reported for several quarters after the completion of the demonstration operations if the State intends to report prior quarter adjustments to demonstration expenditures. Federal regulations at 45 CFR 95.7, however, impose time constraints for the reporting of increasing adjustment claims. Any amounts pending beyond this limit should be removed from the holding account as no longer subject to reimbursement.

### Section C - Savings/Expenditure Calculation

**Line 12. Cumulative Savings Realized** - (Line 6 minus line 7) This amount should be reported in column E. An entry of zero (0) should be made unless the result is a positive number.

**Line 13. Cumulative Savings Previously Expended** - Line 16 from the previous quarter's Demonstration Projects report.

**Line 14. Total Savings Available for Expenditure** - (Line 12 minus line 13) Amount of savings remaining available for expenditure during the life of the demonstration project.

**Line 15. Quarterly Expenditure of Available Savings** - The amount of available savings (line 14) either expended this quarter for otherwise not claimed title IV-B/IV-E eligible activities or the portion of the holding account expenditures (line 11) applied against savings. The appropriate level of State match should be used for all expenditures of available demonstration project savings.



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If holding account amounts are included, an appropriate deduction to line 11 should appear on the next quarterly Demonstration Projects fiscal report. The State should maintain supporting work papers establishing how all amounts were expended.

**Line 16. Cumulative Expenditure of Savings** - (Line 13 plus line 15) - This amount identifies the portion of ever-earned savings expended to date.

### Section D - Quarterly Claim/Estimate

**Line 17. Total Cost/Estimate** - Enter the amount from line 10 minus the amount on line 2 plus the amount on line 15. Control/comparison group expenditures must be deducted from the amount on line 10 to avoid a duplicative claim. All control/comparison group expenditures must be claimed on Part 1, lines 1-16 for foster care or 21-26 for adoption assistance. The line 15 amount is added to provide funding for qualifying expenditures of earned savings. The entries on line 17 must be transferred to Part 1, line 17 for foster care or line 27 for adoption assistance.