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COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF PUBLIC WELFARE

SEP 14 2007

SPECIAL TRANSMITTAL

SUBJECT: Title IV-E Foster Care Maintenance
Costs Allowable for Federal Financial Participation (FFP)

TO: County Children and Youth Administrators
Chief Juvenile Probation Officers
County Children and Youth Fiscal Officers

FROM: Richard J. Gold
Deputy Secretary for Children, Youth and Families



PURPOSE:

The purpose of this Special Transmittal is to provide County Children and Youth Agencies (CCYAs) and Juvenile Probation Offices (JPOs) with clarification on the costs that may be claimed for reimbursement as a foster care maintenance payment under the Title IV-E Program. This Special Transmittal reinforces and gives additional detail on Children, Youth and Families Bulletin No. 3140-84-02, "Implementation of Allowable Costs for the Title IV-E Placement Maintenance and Adoption Assistance Program", issued February 20, 1984.

BACKGROUND:

Per Section 475(4) of the Social Security Act, "The term 'foster care maintenance payments' means payments to cover the cost of (and the cost of providing) food, clothing, shelter, daily supervision, school supplies, a child's personal incidentals, liability insurance with respect to a child, and reasonable travel to the child's home for visitation." The Administration for Children and Families' (ACF) Child Welfare Policy Manual, Section 8.3B.1, provides detail as to what meets the definition of "foster care maintenance payments" in Section 475(4) of the Social Security Act. This manual can be found on ACF website at the following website:

http://www.acf.hhs.gov/j2ee/programs/cb/laws_policies/laws/cwpm/policy.jsp

DISCUSSION:

Recently, OCYF has been providing technical assistance to counties as part of the Title IV-E quality assurance reviews (and has separately responded to numerous county inquiries) as to what costs meet the definition of "foster care maintenance payments".

The following are allowable foster care maintenance costs:

- Food
- Clothing
- Shelter
- Child care. Since foster care maintenance payments are not salaries, foster parents must often work outside the home. Therefore, child care that provides daily supervision during a foster parent's working hours when the child is not in school is an allowable expenditure under Title IV-E. Child care costs which facilitate the foster parent's attendance at activities which are beyond the scope of "ordinary parental duties" are allowable expenditures as well, e.g. child care when the foster parent is required to attend an administrative case/judicial review, case conference, team meeting or foster parent training. NOTE: Child care services for children in foster care must be rendered by a provider who is licensed or approved under state regulations.
- School supplies
- Personal incidentals. These items are typically purchased for the child on an occasional, as needed basis and may include a variety of items. Examples of those items include items related to personal hygiene, cosmetics, over-the-counter medications and special dietary foods, infant and toddler supplies (e.g. high chairs and diapers), fees related to activities such as scouts, special lessons including horseback riding lessons, and reasonable and occasional costs of such items as tickets or other admission for sporting/entertainment/cultural events or dues for clubs.
- Liability insurance. This includes coverage of damages by a foster child to the home or property of the foster parents and of harm done by a foster child to another party.
- Transportation. The cost of local transportation associated with providing the items listed in the in Section 475(4)(A) of the Social Security Act is presumably included in the basic title IV-E foster care maintenance payment. Transportation as a separate item of expense is not allowable except for reasonable travel to the child's home for visitation.
- Respite care. Title IV-E may be claimed for a child who is Title IV-E eligible and is placed temporarily with a licensed/approved foster care provider. However, Title IV-E foster care placement maintenance may not be claimed for both the foster care provider and respite care provider for the same period.

For children in institutional foster care placements such as group homes and residential facilities, the reasonable costs of administration and operation that are necessary to provide the above items are allowable. This would include such items as the proportional costs of administrative and support staff, bookkeeper, food service workers, child care staff who provide daily supervision and supervisors of child care staff.

The following costs are **unallowable foster care maintenance costs**:

- Salary for the exercise by the foster family parent of ordinary parental duties.
- Child care provided to a child if it is provided to facilitate a foster parent's participation in activities that are within the realm of "ordinary parental duties", e.g. child care provided due to the illness of the foster parent, or child care provided due to the foster parent's attendance at a school conference or pupil evaluation team meeting.
- Recreational costs per se are not permitted for Title IV-E reimbursement.
- Mental health and drug and alcohol treatment expenses
- Medical expenses
- Prescription drugs
- Cost of diagnosing illnesses
- Social services. Regardless of the title or classification of the person providing the services. Examples of unallowable social services are counseling and therapy to:
 - help with a child's adjustment;
 - help a child resolve the problem(s) for which he/she was placed;
 - help a child and his/her biological family to resolve the difficulties that led to the need for placement; or
 - plan for the return of the child to the community, and
 - psychological or educational testing, evaluation, and assessment.
- Legal fees (agency legal representation or services, or legal service for a child, e.g. Guardian Ad Litem)
- Agency administrative expenses (e.g. photographs, birth certificates, child abuse or state police clearances)

- Incidental expenses for children placed outside of the scope of **foster care**; e.g., psychiatric facilities, accredited residential treatment facilities, hospitals, etc.

The CCYA should consider the above guidance in fulfilling the county's responsibilities as outlined in the Social Security Act and ACF's Child Welfare Policy Manual.

If you have questions, please contact your regional representative, Cliff Crowe at (717) 214-3805, or Diane Bullock at (717) 783-7614.

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