

ACF

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U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
Administration for Children, Youth and Families

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INFORMATION MEMORANDUM

TO: State Agencies Administering or Supervising the Administration of Title IV-E of the Social Security Act, Indian Tribes and Indian Tribal Organizations

SUBJECT: Allocation of Costs for All Training Under the Title IV-E Program

LEGAL AND RELATED REFERENCES: Sections 474(a)(3)(A) and (B) of the Social Security Act, 45 CFR 1356.60(b), 45 CFR 235.63 through 235.66(a), 45 CFR 95.507(a)(2), OMB Circular A-87, and ACYF-PA-90-01, dated June 14, 1990

PURPOSE: It has come to our attention that there may be some confusion as to whether training costs, including long-term educational training (degree programs), should be allocated among all benefitting programs or whether such costs can be direct-charged to title IV-E. The purpose of this Information Memorandum is to restate Federal requirements on this issue.

BACKGROUND: Section 474(a)(3)(A) authorizes Federal financial participation (FFP) at a 75 percent matching rate to States for training of personnel employed or preparing for employment by the State or local agency administering the title IV-E State Plan. Additionally, with the enactment of Public Law 101-239, section 474 was amended for fiscal years 1990, 1991 and 1992 to include short-term training of current and prospective foster and adoptive parents and staff of State-licensed or State-approved child care institutions providing care to title IV-E foster and adoptive children. Title IV-E regulations at 45 CFR 1356.60(b) state that Federal match is available at 75 percent for the costs of short- and long-term training at educational institutions as well as for in-service training. The regulations require that such training be provided in accordance with the provisions of 45 CFR 235.63 through 235.66(a). These latter regulations set forth the requirements for in-service training and short- and long-term training outside the agency and grants to educational institutions for the purpose of curriculum development, classroom instruction, field instruction, or any combination of these that is directly related to the agency's program. Policy Announcement ACYF-PA-90-01 states that all training costs must be allocated to title IV-E, State foster care and other State/Federal programs in such a manner as to assure that each participating program is charged its proportionate share of the costs. This is in accordance with 45 CFR Part 95.507(a)(2), which requires that State cost allocation plans

conform to the accounting principles and standards prescribed in Office of Management and Budget (OMB) Circular A-87. OMB Circular A-87 defines indirect costs as those incurred for a common or joint purpose which benefit more than one cost objective. It further requires that indirect cost pools be distributed to the benefitting cost objectives in such a manner which will produce an equitable result.

INFORMATION: Training costs for all training, including long-term educational training (degree programs), must be allocated among all benefitting programs and may not be direct-charged to title IV-E, unless title IV-E is the only benefitting program.

INQUIRIES TO:

Acting Regional Administrators,
ACF Regions I-X
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