



## DEPARTMENT OF HEALTH & HUMAN SERVICES

**ADMINISTRATION FOR CHILDREN AND FAMILIES**  
**Administration on Children, Youth and Families**  
330 C Street, S.W.  
Washington, D.C. 20201

### **CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

October 18, 2016

Jamie Sorenson  
Director, Child Safety and Permanency  
Minnesota Department of Human Services  
P.O. Box 64943  
St. Paul, Minnesota 55164-0943

Dear Director Sorenson:

I am writing to inform you of revised disallowance amounts associated with the primary title IV-E eligibility review of Minnesota's title IV-E foster program conducted by the Children's Bureau (CB) during the week of April 1, 2016. The net effect of our revision is to reduce the total disallowance by \$1,729 in Federal Financial Participation (FFP).

On August 1, 2016, we sent you a letter and final report of review findings advising you that the state's title IV-E foster care maintenance program was found in substantial compliance. The letter also notified you of a disallowance of \$60,938 FFP, comprised of \$40,608 FFP in title IV-E foster care maintenance payments and \$20,330 FFP in related title IV-E administrative costs.

After issuance of our report, during our quality check of IV-E review findings, we determined that some disallowance amounts included in our letter and final report were incorrect. Specifically, CB determined the formula for calculating administrative disallowances was misapplied in three cases. In addition, the disallowance for case 42 was misreported as representing all maintenance costs, rather than breaking out the portions that were for associated administrative costs versus maintenance costs. Finally, we noted several minor data entry or rounding inconsistencies.

The originally reported and corrected maintenance and administrative cost disallowance information for each error case and non-error with improper payments is identified in the below chart. (All figures reflect FFP.) No change has been made in our determination of substantial compliance or the number of cases with improper payments.

Sample Number	Original Maintenance Payment Disallowance	Revised Maintenance Payment Disallowance	Difference	Original Administrative Cost Disallowance	Revised Administrative Cost Disallowance	Difference
23	\$8,137	\$8,129	(-\$8)	\$7,620	\$7,622	+\$2
42	\$14,108	\$6,535	(-\$7,573)	\$0	\$6,998	+\$6,998
56	\$9,369	\$9,369	\$0	\$2,935	\$2,936	+\$1
55	\$981	\$981	\$0	\$587	\$587	\$0
OS2	\$903	\$904	\$1	\$1,150	\$575	(-\$575)
69	\$6,462	\$6,462	\$0	\$6,888	\$6,888	\$0
78	\$648	\$648	\$0	\$1,150	\$575	(-\$575)
<b>Totals</b>	<b>\$40,608</b>	<b>\$33,028</b>	<b>(-\$7,580)</b>	<b>\$20,330</b>	<b>\$26,181</b>	<b>+\$5,851</b>

The total revised disallowance amount for the review is \$59,209 FFP.

**Disallowance Notice:**

This letter constitutes our notice of a revised disallowance of \$33,028 in maintenance payments and \$26,181 in related administrative costs in FFP for title IV-E foster care funds claimed improperly for the error and non-error cases with ineligible payments, for a revised total of \$59,209 FFP. The revised disallowance compared to the original represents a decrease of \$7,580 in title IV-E maintenance payments and an increase of \$5,851 FFP in title IV-E administrative costs.

Minnesota previously submitted decreasing adjustments on its Quarterly Report of Expenditures of the Title IV-E Programs, Form CB-496, based on the disallowance amounts in our August 1, 2016 letter and Final Report. To address the revised disallowance, you must now submit an additional decreasing adjustment of \$5,851 FFP in title IV-E administrative costs on your next Form CB-496. In the comment box in Part 2 of the form you must include a note that identifies the adjusted amount as being associated with a "IV-E Review" and include the date of this revised disallowance notice. You also may submit an increasing adjustment of \$7,580 in title IV-E maintenance payments on the same Form CB-496 to recover maintenance payments that were incorrectly disallowed in our previous letter.

**Appeal Notice:**

This is the final decision of the Administration for Children and Families. It shall be the final decision of the Department of Health and Human Services unless you submit a written notice of appeal to the Departmental Appeals Board (DAB), in accordance with 45 CFR Part 16. Your written notice of appeal must be sent within 30 calendar days of receiving this decision from the Children's Bureau about the IV-E review finding and payment disallowance. Your notice of appeal must note you intend to appeal, give the amount in dispute, and briefly say why you think the IV-E review decision is incorrect. You must attach a copy of this decision to your notice of appeal. The DAB will notify you of further procedures.

A notice of appeal may be submitted to the DAB by mail, by facsimile (fax) if under 10 pages, or electronically using the DAB's electronic filing system (DAB E-File). Submissions are considered made on the date they are postmarked, sent by certified or registered mail, deposited with a commercial mail delivery service, faxed (where permitted), or successfully submitted via DAB E-File.

If you mail your notice of appeal, it should be addressed to:

U.S. Department of Health and Human Services  
Departmental Appeals Board, MS 6127  
Appellate Division  
330 Independence Ave., SW  
Cohen Building, Room G-644  
Washington, D.C. 20201

If you fax your notice of appeal (permitted only if the appeal notice is under 10 pages), you should use the Appellate Division's fax number, (202) 565-0238.

If you use DAB E-File to submit your notice of appeal, you or your representative must first become a registered user by (1) clicking "Register" at the bottom of the DAB E-File homepage, <https://dab.efile.hhs.gov/>; (2) entering requested information on the "Register New Account" form; and (3) clicking the "Register Account" button. Once registered, you or your representative should (1) login to DAB E-File using the e-mail address and password provided during registration; (2) click "File New Appeal" on the menu; (3) click the "Appellate" button; and (4) provide and upload the requested

information and documents on the "File New Appeal-Appellate Division" form. Detailed instructions can be found on the DAB E-File homepage.

When you submit your appeal to the DAB, you must also send a copy to Kendall Darling, the Child Welfare Regional Program Manager in Region 5 of the Children's Bureau.

### **Interest and Penalties**

If you appeal, you may repay the amount at issue pending a decision by the DAB, or you may retain the funds pending that decision. If you repay the funds, an adjustment to return the disallowed funds to avoid an interest assessment must be submitted on the Form CB-496, as described above for payment adjustments. If you retain the funds and the DAB sustains all or part of the disallowance, interest and penalties will be charged on improperly paid funds in accordance with 45 CFR Part 30.18. Interest will accrue on the funds from the date of this disallowance letter to the date of repayment. The current interest rate is 9 <sup>5</sup>/<sub>8</sub> percent.

We regret any inconvenience caused by the recalculation of the review's disallowance and we appreciate your assistance in addressing this issue. Should you have questions about the review findings, you may contact Kendall Darling, at 312-353-9672 or by e-mail at [kendall.darling@acf.hhs.gov](mailto:kendall.darling@acf.hhs.gov). Questions concerning the disallowance should be directed to Sherman Doss in the Administration for Children and Families Region 5 office, at 312-886-4928 or by email at [sherrnman.doss@acf.hhs.gov](mailto:sherrnman.doss@acf.hhs.gov)

Sincerely,

/s/

Rafael López  
Commissioner  
Administration on Children, Youth and Families

cc: Maxie Rockymore, Department of Health and Human Services; St. Paul, MN  
Kendall Darling, Child Welfare Regional Program Manager, Region 5; Chicago, IL  
Gail Collins, Director, Division of Program Implementation, Children's Bureau; Washington, DC  
Jennifer Butler-Hembree, Child Welfare Program Specialist, Children's Bureau; Washington, DC  
Eric Staples, Regional Grants Management Officer, Region 5; Chicago, IL