

---

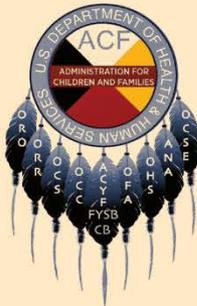
# Tribal Budget Toolbox



---

# Tribal IV-D Budget Requirements Allowable Costs

May 26, 2016



ADMINISTRATION FOR  
**CHILDREN & FAMILIES**



# Speakers

## **Chad Sawyer**

Senior Policy Specialist

Division of Policy and Training

San Francisco, CA

## **Nancy Mathieson**

Program Specialist

OCSE Region X

Seattle, WA



# Learning Objectives

- Describe the budget requirements found in 45 CFR Parts 309 and 75
- Discuss allowable costs and the reasonable, necessary and allocable requirement
- Review cost allocation, documentation, records retention and selected items of cost
- Estimated training duration 1.5 hours



# Oversight of Federal Grant Funds

Tribe is responsible and accountable for ensuring

- Administration of the tribal IV-D plan is in compliance with tribal IV-D regulation
- Functions are carried out properly, efficiently and effectively



## IV-D Funding Submission Requirements

- Start-up submission requirements described at 45 CFR 309.16
- Comprehensive submission requirements described at 45 CFR 309.130
  - Annual budget submissions
  - Require review and approval before issuance of grant awards



# Allowable Costs

- Regulatory purpose for tribal IV-D funding
  - Establishment of paternity; establishment, modification and enforcement of support orders; and location of noncustodial parents
  - Establishment and administration of tribal IV-D plan, collection and disbursement of support payments
- 45 CFR 309.145 and 309.150 describe allowable costs for comprehensive and start-up funding



# Unallowable Costs

45 CFR 309.155 describes unallowable costs

- Activities related to other programs
- Construction and major renovations
- Reimbursed fees or costs
- Jailing of parents
- Legal counsel or guardians ad litem
- Costs that are not reasonable, necessary and allocable



# Reflection Exercise

- What are some activities from other programs the tribe is administering that would not be allowable IV-D costs?
- How would you determine whether a cost was reasonable, necessary and allocable to the tribal IV-D program?



# 45 CFR Part 75

- Establishes uniform administrative requirements, cost principles and audit requirements for HHS grants
- Supersedes 45 CFR Parts 74 and 92, 2 CFR Part 225 (A-87) and OMB Circular A-133
- Referenced at 45 CFR 309.130(h)



# Factors Affecting Allowability of Costs

- 45 CFR 75.403
- Necessary, reasonable and allocable
- Comply with limitations in Part 75 or the federal award
- Consistent with uniform policies and procedures
- Accorded consistent treatment



# Factors Affecting Allowability of Costs

- Consistent with generally accepted accounting principles, except where mentioned
- Not used to meet matching requirements of any other federally funded program in either the current or a prior period
- Adequately documented



# Necessary

Activities and functions authorized by the statute and regulations

- Section 455(f) of the Social Security Act and 45 CFR Parts 309 and 310
- Costs **directly related** to the establishment of paternity; establishment, modification, and enforcement of support orders; location of noncustodial parents; and collection and disbursement of support payments



# Reflection Exercise

- What would be some examples of activities or costs **indirectly related** to the operation of the tribal IV-D program?
- Some of these activities may benefit the family and help to increase consistent, reliable child support payments



# Reasonable Costs

- 45 CFR 75.404
- Recognized as ordinary and necessary
- Complies with business practices, applicable tribal/federal laws, grant terms and conditions
- Prudent and comparable with market prices
- Doesn't deviate from established practices and policies



# Reflection Exercise

- How do you perform market research to determine whether a IV-D cost is reasonable?
- What would be an example of an unreasonable IV-D cost?
- What would be examples of IV-D costs that deviate significantly from the tribe's established practices and policies?



# Allocable

- 45 CFR 309.145(o)(2)
- Goods or services are assignable to the grant based on benefit received
- May not be charged to other federal awards to overcome funding deficiencies or any other reason (also see 45 CFR 75.405(c))



# Allocable Criteria

- 45 CFR 75.405
- Specifically for and benefits the federal award
- Necessary to the overall operation and assignable to the grant



# Direct Cost Allocation Principles

- 45 CFR 75.405(d)
- If a cost benefits two or more programs, the cost must be proportionally allocated
- When proportions cannot be determined, the cost may be allocated on any reasonable documented basis



# Cost Allocation Plan

- 45 CFR 75.416
- Required to have a process whereby central service costs are identified and assigned to benefited activities on a reasonable and consistent basis
- Requirements for cost allocation plans and indirect cost rate proposals are contained in appendices IV, V and VI to Part 75
- IV-D funds available to develop cost allocation systems



# Reflection Exercise

- What process does your tribe have to ensure costs are allocated appropriately?
- What would be some examples of costs that you allocate across different tribal programs?



# Documentation

- Claimed costs must be adequately documented per 45 CFR 309.145(o)(1)
- Maintain records necessary for proper and efficient program operation per 45 CFR 309.85
- Records retention at least 3 years per 45 CFR 75.361
  - Exceptions described in §75.361(a) - (f)



# Access to Records

- 45 CFR 75.364
- Must provide access to any documents, papers or records related to the expenditure of IV-D funds



# General Provisions for Selected Cost

- 45 CFR §§75.420 – 75.474
- Principles for establishing the allowability of certain items involved in determining cost, in addition to the requirements of §§75.402 - 75.411



# General Provisions for Selected Cost

- 45 CFR 75.420
- Applies whether or not a particular item of cost is properly treated as direct cost or indirect (F&A) cost
- Failure to mention a particular item of cost does not imply that it is either allowable or unallowable



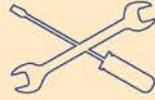
# Selected Items of Cost

- Advertising and public relations
- Audit services
- Conferences
- Compensation—personal services
- Compensation—fringe benefits
- Fines, penalties, damages, and other settlements
- General costs of government



# Selected Items of Cost

- Maintenance and repair costs
- Memberships, subscriptions, and professional activity
- Organization costs
- Professional services costs
- Rental costs of real property and equipment
- Travel costs



# Policy Research

## Statute

Title IV-D of Social Security Act

## Regulation

45 CFR 300s; 45 CFR 75

## OCSE Policy

AT, PIQ, PIQT



# Basic Decision Matrix

Is the cost directly related to a IV-D function described in the regulation?

A yellow arrow originates from the bottom right corner of the first question box and points downwards towards the top of the second question box.

Is the cost allowable under §§309.145 or 309.150 and Part 75?

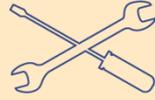
An orange arrow originates from the bottom right corner of the second question box and points downwards towards the top of the third question box.

Is the cost allocable, necessary and reasonable?



# Self-Assessment

- Name three IV-D costs that are allowable
- Name two costs that are not allowed
- Explain the principle of reasonable, necessary and allocable
- Explain some selected items of cost from Part 75



# Questions and Discussion



# Contact Information

## **Chad Demetrius Sawyer**

Senior Policy Specialist

Division of Policy and Training

[chad.sawyer@acf.hhs.gov](mailto:chad.sawyer@acf.hhs.gov)

## **Nancy Mathieson**

Program Specialist

OCSE Region X

[nancy.mathieson@acf.hhs.gov](mailto:nancy.mathieson@acf.hhs.gov)