

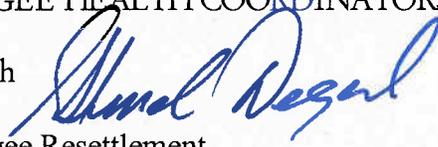
ORR State Letter

12 – 13

Date: October 31, 2012

TO: STATE REFUGEE COORDINATORS
STATE REFUGEE HEALTH COORDINATORS

FROM: Eskinder Negash
Director
Office of Refugee Resettlement



SUBJECT: Guidance on Reporting and Estimating Administrative Costs
For the Refugee Cash and Medical Assistance (CMA) Program

The Guidance on Reporting and Estimating Administrative Costs for the Cash and Medical Assistance Program is based on the Refugee Resettlement program regulations at 45 CFR Part 400, other relevant federal regulations, OMB Circulars that pertain to administrative costs, and the Cost Allocation Guidelines for the Refugee Resettlement Program that ORR issued in 1985. The purpose in summarizing and highlighting aspects of these sources in this Guidance is to assist grantees in both reporting and estimating administrative costs as they implement their CMA programs.

The Guidance, combined with specific reporting form instructions, is also intended to assist grantees in reporting actual costs in the SF-425 and the ORR-6 and estimated costs in the ORR-1 application for CMA grants. Section I of the Guidance addresses allowable actual costs; Section II addresses developing and submitting estimated administrative costs in the ORR-1.

Since the Guidance draws upon existing policy, regulations, and circulars, it is effective immediately. The ORR program regulations at 45 CFR 400.207 limit administrative costs to those that the Administration for Children and Families has determined are reasonable and allowable. All reimbursement under the CMA program is subject to the availability of appropriated funds.

Any questions related to the information contained in this document should be directed to your ORR State Analyst.

I. Actual CMA Administrative Costs

A. Administrative Costs of the State Refugee Coordinator's (SRC) Office

1. Staff costs allocable to CMA administration¹ include:

¹ States that administer Wilson-Fish programs can only charge to CMA those administration costs related to the oversight of RMA and URM services (if applicable).

- State Refugee Coordinator
 - Core staff of the office of the State Refugee Coordinator (defined as those staff - including government and contractor staff - who report directly to the State Refugee Coordinator and who administer the statewide refugee program)
 - Staff (other than core state refugee program staff) in accordance with the amount of time devoted to activities specifically allocable to the administration of cash and medical assistance for the eligible population.
2. Direct costs incurred in the administration and coordination of refugee cash assistance and refugee medical assistance (including allowable medical screening services in accordance with 45 CFR §400.107, provided to time-eligible recipients is reimbursable.
 3. Direct administrative costs incurred by the State Refugee Coordinator's office for the overall management and operation of the state refugee program including its coordination, planning, policy and program development, oversight, monitoring, consultation, data collection, reporting, and travel are allowable for reimbursement under CMA. The following are some examples of overall administrative activities which may be reimbursed by the CMA grant:
 - Development of the State Plans
 - Program and service coordination
 - Development of program instructions
 - Program monitoring and reporting to meet ORR requirements
 - Training to improve general state administration, CMA functions, and coordination
 - Technical assistance provided by state core staff to local government and private sector service providers
 - Salary and travel costs of the State Refugee Coordinator and State staff who administer the refugee program in the state
 4. Indirect administrative costs allocated to the CMA grant in accordance with a State's approved Cost Allocation Plan.
 5. Cost allocation:
 - In accordance with 45 CFR 400.13(a), a State must allocate costs, both direct and indirect, appropriately between the ORR-funded Refugee Resettlement Program (RRP) and other non-ORR programs which it administers.
 - In accordance with 45 CFR 400.13(b), a State must allocate costs appropriately among its CMA grant and any other ORR grants it administers.
 6. For additional information on reporting Unaccompanied Refugee Minors (URM) administrative costs, see I.D. below.

B. Additional Refugee Cash Assistance (RCA) Administrative Costs

Direct and indirect costs incurred in the administration of a state's RCA Program by a state's TANF agency or office, including staff supervision and oversight, and other direct and indirect costs incurred in performing tasks related to providing cash benefits to refugees, such as intake and assessment of RCA eligibility, associated interpretation and translation, preparation and distribution of cash benefits, quality assurance, data entry and reporting, noncompliance documentation, etc., may be reimbursed as CMA administrative costs.

C. *Additional Refugee Medical Assistance (RMA) Administrative Costs*

1. Direct and indirect costs incurred in the administration of a state's RMA program by a state's Medicaid agency or office or other state agency providing the same functions (including staff supervision and oversight, other direct and indirect costs related to provision of medical services, intake and assessment of RMA eligibility associated interpretation and translation, benefits authorization and quality assurance, data entry and reporting) are reimbursable as CMA administrative costs. If interpretation and/or transportation related services are not covered under Department of State (DOS) Reception and Placement Program or Preventive Health funding, they may be reimbursed from CMA and should be reflected as a separate administrative costs in the narrative.
2. Medical Screening administration costs incurred by a State agency in coordinating the provision of medical screening, including administering and monitoring contracts or other mechanisms used for reimbursement of medical screening services, are reimbursable from CMA and should be reported as administrative costs.

D. *Unaccompanied Refugee Minors (URM) Costs*

Direct costs incurred in the administration of a state's Unaccompanied Refugee Minor program are reimbursable. These costs include coordinating the provision of the URM program including administering and monitoring contracts or other mechanisms used for reimbursement of URM services. All costs relating to the URM program including overall management, planning and coordination as implemented under section A.1 should be reported as URM administrative costs. Additional reimbursable costs include administrative costs of all State and local/county child welfare agencies that are under agreement with the State Refugee Coordinator's office to administer and monitor the URM program. (Costs incurred by state or local/county agencies in providing direct services, such as case work or case review and expenditures for foster family maintenance payments, are reimbursable as services, rather than administrative costs.)

E. *Additional Sources of Information on Costs*

Additional more detailed sources of information on allowable, reimbursable costs are included in the Department of Health and Human Services regulations and in OMB circulars.

1. ***OMB Circulars***

The most relevant circular is *OMB Cost Principles (A-87)*. This document explains that costs must meet certain criteria to be allowable and reimbursable. The costs must, for instance, be reasonable and necessary. Additionally to be reimbursable, the costs must conform to any limitations in legislation or regulation. Reimbursable costs must also be consistent with the grantee's policies and procedures, such as agency procurement policies. *OMB Cost Principles (A-87)* is available at http://www.whitehouse.gov/omb/circulars_a087_2004.

Grantees must determine and document costs in accordance with Generally Accepted Accounting Principles (GAAP). Failure to follow these principles may result in an audit finding or questioned cost and could result in the grantee having to repay the funds.

Attachment B of *OMB Cost Principles (A-87)* lists numerous "Selected Items of Cost." If a specific type of cost is not listed, the cost must be "necessary and reasonable" to be allowable for reimbursement. The attachment is available at: http://www.whitehouse.gov/omb/circulars_a087_2004#attb.

2. *Department of Health and Human Services Regulations*

In addition to ORR regulations at 45 CFR Parts 400 and 401, 45 CFR Part 74 and 45 CFR Part 92 also provide information on administration of a federal grant and on common requirements for all Department of Health and Human Services grants. Part 74 covers requirements pertaining to non-profit organizations and Part 92 pertains to public agencies. The regulations are available at: www.ecfr.gov.

3. *Terms and Conditions*

By acceptance of an award for one or more of these programs, grantees agree to comply with the *Terms and Conditions* for each grant award issued by the Administration for Children and Families. Failure to comply with these *Terms and Conditions* may result in the loss of federal funds. Grantees should carefully review the *Terms and Conditions* each year to ensure that their programs are in full compliance.

II. **Submittal of Estimated Administrative Costs Budget**

In accordance with 45 CFR 400.11(b), States are required to submit yearly estimates for reimbursable costs for refugee cash and medical assistance, costs for unaccompanied refugee minors, and related administrative costs in accordance with guidelines prescribed by the Director of ORR. These estimated costs are submitted in the ORR-1, which is the application for reimbursement of CMA expenditures.

A. The ORR-1 must include the total estimated administrative costs for the year for which the application is being made. The submission should also include a narrative description for each line item. In particular, the line item budget should include the following:

- Salaries
- Fringe benefits
- Travel
- Equipment
- Contractual Costs
- Indirect Costs

- Supplies

- Other

The narrative description should include the methodology by which the estimates were developed. It should be of sufficient detail to enable a determination of the reasonableness, allowability and allocability of the estimated costs; any amount listed under “Other” must be itemized and described.

If a state administers RCA through a Public Private Partnership (PPP), the state should also provide cost estimates on the RCA administration costs anticipated to be incurred by sub-recipients.

The narrative justification for salaries and expenses should include a list of each state staff person/position to be charged to CMA, total salary and percent of time dedicated to CMA related activities.

The narrative justification for URM administration cost estimates should clearly delineate estimated costs for state administration (to include administrative costs of the State Refugee Coordinator’s office, as well as administrative costs of other state and local/county agencies involved in running the URM program), as well as contractor administration costs (i.e., contracted URM service providers). The State should submit as attachments copies of any formal agreements between the State Refugee Coordinator’s office and state or local/county child welfare offices, as appropriate, with estimates for their administrative expenditures. The state should also submit copies of contracts with URM service providers, including amounts the URM service providers are anticipated to receive through reimbursement. States should also include copies of contracts with sub-recipients of contracted URM service providers, for agencies that provide placement for a significant number of URM clients.

ORR’s review and subsequent negotiation of the state’s estimated administrative budget will constitute concurrence of activities itemized and the reasonable estimated costs proposed for each fiscal year. Reimbursement of administrative costs is determined by the actual costs submitted by each grantee in the SF-425, subject to the availability of funds.